



Presidents Yeltsin and Clinton watching the opening ceremonies of the White House summit meeting Tuesday. Page 8.

## U.S. Won't Allow Russia a Free Hand

By Joseph Fitchett  
International Herald Tribune

PARIS — The Clinton administration has no intention of giving Russia a free hand for armed intervention in the former republics on its periphery, U.S. officials said Tuesday. But, they added, Washington also has no intention of making a public issue now of its stand.

In their talks in Washington, President Bill Clinton will keep trying to persuade the Russian leader, Boris N. Yeltsin, to resist calls to try to re-establish Russia's hegemony over parts of the old Soviet Union through a mix of military peacekeeping and economic dependency.

But the reason for soft-pedaling the U.S. position goes beyond the simple concern

of not lecturing Mr. Yeltsin publicly and weakening his domestic position.

In practice, the United States has little beyond persuasion to offer as a way of helping Moscow meet its genuine concern about conflicts simmering on Russia's bor-

### NEWS ANALYSIS

ders and in some cases threatening to spill back into Russia itself.

"We certainly aren't going to send troops, and NATO isn't either, and we won't pay for a United Nations operation, so all we can do is warn the Russians that they will lose international sympathy if they behave too badly," a U.S. policymaker said.

In practical terms, this means that Washington will block Russian efforts to

win a special mandate for military intervention in former Soviet states known to Russians as "the near abroad."

Uncomfortable with classical UN rules about peacekeeping, Moscow has turned to the Conference on Security and Cooperation in Europe, a loosely structured body grouping all the European countries, plus Russia and the United States. But Russian negotiators suddenly walked out of talks there this summer when it became clear that the conference members wanted to impose strict limits on and close monitoring of Russian activities.

Now Moscow has proposed creating a "security council" of leading nations in the organization, apparently as a way of restoring Russia's voice in European security.

See RUSSIA, Page 8

## Japan Politician Gets Off in Bribery Case

By James Sterngold  
New York Times Service

TOKYO — After a chaotic year of rebuilding Japan's badly tainted political system, the country was stunned Tuesday when a politician was acquitted in a landmark bribery case, raising the prospect that several disgraced politicians might be rehabilitated.

Takao Fujinami, once a rising star in the Liberal Democratic Party and a former chief cabinet secretary, had admitted to receiving during the mid-1980s nearly \$500,000 in cash and securities from Recruit Co., a publisher of job information magazines, that stood to benefit from his influence.

But Mr. Fujinami maintained that the payments were just political contributions, not bribes, and that he had not asked for them. The judge, Hideaki Mikami, said

Tuesday that he accepted that explanation, ruling that the prosecutors had failed to prove the payments were directly in return for favors from Mr. Fujinami, a strict standard set under Japanese law.

"Even if there had been a solicitation, it is doubtful that the defendant would have considered the acceptance of the checks and shares as bribes," Judge Mikami reasoned.

Prosecutors said they would appeal the decision, but it was clearly a huge blow to their efforts to clean up what was regarded as rampant corruption in the Parliament. The Recruit scandal, as it became known, brought down the government of Prime Minister Noboru Takeshita in 1989 and tainted three former prime ministers as well as more than a dozen other important figures.

It also led to widespread public disgust

over political corruption and encouraged calls for fundamental reform of the electoral system and of the rules governing campaign contributions.

Some politicians called Tuesday for Mr. Fujinami's return to the Liberal Democratic Party — he lost his seat in the Parliament last year — while others said the decision raised the question of whether the political reforms under way, partly in response to the Recruit scandal, need to go much further.

"I am really pleased at the ruling," said former Prime Minister Yasuhiro Nakasone, one of whose secretaries received Recruit Co. stock. "I cannot hold back my tears at the thought of the hardships his family and his supporters endured. I hope

See JAPAN, Page 8

## Hard Times Over? Not for U.S. Workers

By Steven Pearlstein  
Washington Post Service

WASHINGTON — Even with their sales and profits rising smartly, America's biggest corporations are laying off employees and trimming operations at nearly the same pace as they did during the height of the recent recession.

In its annual survey, the American Management Association found that 47 percent of its 7,000 member companies reduced their work forces in the last year, essentially unchanged from the two previous surveys.

Unlike earlier cutbacks, which were responses to a slow economy or a drop in sales, the survey found that current down-

sizings were part of efforts by companies to improve their competitive position.

Increasingly, management experts say, cutbacks are the result of new strategies to contract nonessential work to other companies, adopt new labor-saving technologies and realize efficiencies from mergers or acquisitions of other companies.

"It is a mistake to see downsizing as a one-time reaction to recession," said Eric Rolfe Greenberg, the association's director of management studies. "Instead, it has become a systematic, ongoing corporate activity."

"Downsizing is not an event any more," said Mitchell Marks, author of a new book on the subject and a consultant with the Delta Consulting Group in New York. "It's become a way of business life."

In fact, the management association found that companies that view downsizing as an ongoing activity have shown better gains in profitability and worker productivity than firms that downsized only once.

The survey, which was to have been released Tuesday, is the latest evidence that the economy is continuing to be disturbed by major structural change and dislocation even as the overall level of

sales, profits and employment continue to rise.

Increasingly, management experts say, even successful companies are concentrating their efforts on those parts of their businesses where they do best, earn their highest profit margins or gain the greatest competitive advantage. Other activities are either eliminated completely or contracted out to other companies.

In the survey, for example, fully 66 percent of the companies that instituted layoffs last year in one area reported that they also added employees in other areas.

Although downsizing was once largely concentrated in manufacturing companies, the survey found that the momentum has now shifted to the burgeoning service sector, where 57 percent of all companies downsized during the last year.

"We are only four years into a service sector restructuring that will last at least a decade," said Steven Roche, an economist at the investment house Morgan Stanley & Co. "There is still tremendous overcapacity in those industries that is only now being unmasked by competitive pressure."

Middle managers, supervisors and even

See CUTS, Page 8

## As U.S. Role Increases, Haitians Are Abdicating

Compiled by Our Staff From Dispatches

PORT-AU-PRINCE, Haiti — American troops took control of Parliament and City Hall on Tuesday in preparation for the return of lawmakers, and other soldiers began collecting Haitians' weapons in a guns-for-money program.

With their duties already expanding beyond the assigned role of restoring democracy here, some U.S. soldiers expressed concern about what they called "mission creep."

In the north, for example, many Haitian authorities have simply abdicated to U.S. forces. And in Port-au-Prince, even routine police work is now sometimes referred to the Americans.

But the Pentagon denies that the Clinton administration has expanded the military's mission in Haiti, and says America has to serve as a police force to make the operation work.

"We are resisting and we will continue to resist mission creep," Defense Secretary William J. Perry said in a briefing Monday. He said that the United States would "do what is necessary in the exigencies of the moment," but that troops would not perform routine police functions.

The U.S. Air Force began taking over security Tuesday at the Port-au-Prince airport to free up soldiers from the 10th Mountain Division for other duties. As of Tuesday, 15,600 U.S. troops had arrived in Haiti.

Since the U.S. military intervention, troops have fanned out inside and around Haiti's two biggest cities: Port-au-Prince and Cap-Haitien. Marines are disarming some police barracks, while military police are stationed at others to prevent human rights abuses.

"They really don't associate with us," said a 10th Mountain Division corporal, Wayne Pelletier of Leominster, Massachusetts, referring to Haitian police. "They don't know if they should hate people in front of us or wait until we leave."

So far, Haiti's armed forces, which backed down in the face of an imminent U.S. invasion and agreed to cooperate in the occupation, have gone along reluctantly with the changes that deny them power and privilege.

"We are happy to cooperate and hope that we will profit and benefit from it," Captain Patrick Bastien said. But, he added, "I'm Haitian. It's not something we would want, but it is better than a forced invasion."

Meanwhile, the U.S. military reported the first death of a soldier in Haiti, apparently of a self-inflicted gunshot wound.

The Pentagon said that the U.S. soldier apparently committed suicide while his unit was securing a government-owned villa in Port-au-Prince.

See HAITI, Page 8

## U.S. and North Korea Widen Their Gap Over Nuclear Terms

By R. Jeffrey Smith  
Washington Post Service

GENEVA — U.S. and North Korean officials have made no progress in five days of negotiations here on North Korea's nuclear program, and in some respects are further from an agreement than they were at the end of talks a month ago, U.S. officials said Tuesday.

The officials blamed North Korea for the apparent stalemate, asserting that diplomats from the isolated state had made unacceptable demands that had undermined a preliminary understanding reached by the two nations in Geneva on Aug. 12.

But the officials conceded that Washington also came to the negotiating session without any major new ideas, despite having first learned of the North Korean demands earlier this month during informal discussions in Berlin. A senior U.S. official here explained last weekend that the new North Korean demands were simply "bizarre" and would not be taken seriously.

U.S. officials said they were at a loss to explain why North Korea appeared to be pursuing a more hard-line stance. The negotiations, which are meant to work out what rewards North Korea is to get for eliminating its capability to make nuclear arms, began Friday and are the third such session since July.

One possibility, U.S. officials said, is that North Korean leaders were dissatisfied with the outline of the deal that Deputy Foreign Minister Kang Sok Ju had worked out last month, and were now insisting on doing better.

A U.S. official said that he could not predict whether North Korea would continue to maintain its position in future sessions.

U.S. officials had been reluctant until Tuesday to allude to a possible stalemate, which would present the Clinton administration with a new foreign policy problem at a time when Washington's attention is

distracted by other matters, including the U.S. military intervention in Haiti. But a diplomatic source here said that the current negotiating session was expected to end shortly without any major new accord.

The U.S. delegation also announced that the chief U.S. negotiator, Robert L. Gallucci, and Mr. Kang would meet Wednesday morning to try again to overcome the impasse. No further meetings have been scheduled, and U.S. officials have booked seats on a plane leaving for Washington on Friday morning.

As a senior U.S. official put it on Saturday, after the first day of talks, "We do have what is fair to say are disagreements over some very fundamental issues, and at this moment it is not clear what the resolution will be."

The delegation's announcement Tuesday confirmed that observation, saying, "We can report no progress."

Officials said three major disputes had blocked progress. One involves the diplomatically sensitive issue of which nation is to meet a North Korean demand for two new light-water nuclear reactors to generate electrical power, which are to replace the graphite-moderated reactors that U.S. officials say North Korea is developing to generate plutonium for nuclear arms. The light-water technology produces little plutonium.

Only South Korea has stepped up so far to volunteer nuclear technology, and Washington — at Seoul's urging — has called South Korea's "central" participation in the deal essential.

After the August session, Mr. Kang suggested he was not troubled by South Korean involvement, saying at a press conference that it was up to Washington to decide on the reactor vendor. But since then, his superiors have evidently had a change of heart, because Mr. Kang now insists that the decision rests "with our side," adding that they could not agree to "any South Korean-type" reactor due to that country's recent "hostile and abnormal behavior."

## Plague No Reason to Drop Trips to India, WHO Says

By Barry James  
International Herald Tribune

The World Health Organization said Tuesday that people contemplating travel to India should not cancel their plans for fear of getting pneumonic plague.

Despite reports that the disease had spread to the capital, New Delhi, where at least two cases were confirmed, a WHO spokesman said, "Our advice is, travel plans should not be altered."

Nevertheless, several foreign companies operating in western India were reported to be evacuating expatriate workers. Many countries set up emergency screening at airports to check passengers coming from India, particularly the port city of Bombay, where 13 people had been placed under observation with suspected plague symptoms.

WHO officials said there were no indications that plague had spread from India to other countries. Some infectious disease specialists said there was little risk that it would spread in regions that were not infested with flea-bearing rats or did not have large populations moving around.

Pneumonic plague has killed more than 50 people in the city of Surat, in western India. It is a highly contagious version of the Black Death, which ravaged medieval Europe, primarily in its bubonic form.

Plague is carried by fleas, which transmit it to humans from infected rats. Pneumonic plague can also be transmitted directly from human to human through coughing or close contact.

The WHO said it was unlikely that travel

### Kiosk

## Japan Makes Plea For Council Seat

UNITED NATIONS, New York (AFP) — Japan formally declared its candidacy Tuesday for a permanent seat on the Security Council but said it would not take part in military operations prohibited by its constitution.

Foreign Minister Yohei Kono, speaking before the General Assembly, said he hoped a decision on Japan's candidacy could be reached within a year.

"Japan is prepared, with the endorsement of many countries, to discharge its responsibilities as a permanent member of the Security Council," Mr. Kono said.

## Tourist Killed in Egypt

CAIRO (AFP) — A suspected Muslim fundamentalist killed two Egyptians and a German tourist and wounded three other people Tuesday in Hurgada, sources close to the security services said.

## U.S. Rates Stay Put

The U.S. Federal Reserve Board left interest rates unchanged Tuesday, although analysts were still predicting one more increase before year-end. The inflation rate rose to more than 3 percent, but U.S. blue chips rebounded from early losses. (Page 13)



FIGHT AT THE OPERA — Myung Whun Chung, conductor of the Paris Opéra, outside the Opéra Bastille. He will be leaving in October. Page 9.

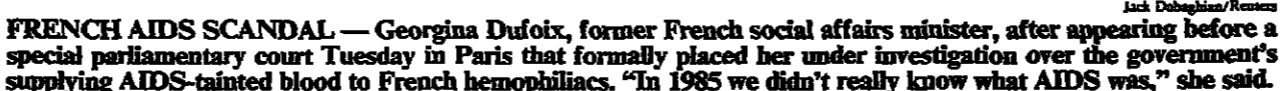
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DM	1.5787	Previous Close	1.572
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FF	5.2875	Previous Close	5.3085

**By Youssef M. Ibrahim**  
*New York Times Service*

**"The Saudi Interior Ministry warns that it will not be lenient with any person thinking of**

Radical Saudi groups, he said, are getting logistical support from such radical regimes as Sudan and "are beginning to form ties with Egyptian and Algerian fundamentalists."



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**The Associated Press**

But the tapes, and an analysis by a Russian aviation official published in the Russian News on Tuesday, indicate that the crew's efforts were hampered

According to the transcript, which the magazine said came from sources it would not disclose, Captain Yaroslav Ku-

"Is it turning by itself?" his father asks.

"Yes!"

"Hey guys!" shouts the copi-

spin." The crew managed to pull the plane out of its spin, he said, but too late — they were just 400 meters off the ground.

**By Tom Buerkle**

The purely voluntary code includes no means of enforcement and is aimed at independent consultancies that em-

"I don't think we've tried to answer all the questions," said Maria Laptev, one of the authors of the code and the head of European public affairs for Charles Barker, a British firm. "We're

members of Parliament for contracts or special treatment, officials say. That is especially true now that the single-market program is largely complete and the EU bureaucracy is generating

Paul Adamson, who runs his own Brussels consultancy and has signed the code of conduct, noted that the commission turned to consultants and industry to help frame its white paper

greater influence than noncommercial groups. But his proposal to impose tight rules on lobbyists died after failing to win adequate support in the session that ended this spring.

## Shelling of Kabul Civilians Kills 58

Anti-Rabbani militias controlled by Prime Minister Gulabuddin Hekmatyar and a northern warlord, General Abdul Rashid Dostum, fired more than 100 rockets and mortar shells at residential areas of the Afghan capital, the radio said.


Mrs. Harriman and her legal adviser, Clark Clifford, a former

The Emergencies Ministry had said that the Yak-40 was flying from the Siberian industrial center of Krasnoyarsk to Tura, about 800 kilometers (500 miles) away.

"Because of bad weather, the airport of Tura turned the plane away and the pilot decided to fly to Vanavara," Vladimir Skripkin, a local ministry official, told a Russian television network. "It was 38 kilometers away from Vanavara. It ran out of fuel."

The number of cholera cases in Transylvania has risen to 20, the Romanian Health Ministry said Tuesday. (Reuters)

**The Associated Press**

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Mr. Fontanelli promised a campaign of regional strikes and a struggle by the opposition in Parliament, along with the general strike, against the government's plan to cut the budget. It was not immediately

The prime minister is caught between the need for deep budget cuts to control a ballooning

The Immigration and Naturalization Service said, however, that it will grant a 30-day grace period through which all tourists and business visitors would have qualified for the new law to be admitted to the United States.

serious concern. Congress will be in session in time.

"We recognize we could put an unusual State Department Foreign Relations

...if the visa waiver expires, it would burden not only on the student but on travelers," a For-Committee staff member said,

**Singapore's air pollution index Tuesday as smoke from forest fires**

... International Airport after a fire knocked out its radar.  
(AP)

... was the worst on record on fires in Indonesia continued to  
(Reuters)

line, has resumed flights to Beirut to return to Lebanon since (AFP)

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# THE AMERICAS / CAPITOL MYSTERY

## In Health Care Melodrama, Villains Are Many

By Robin Toner  
New York Times Service

WASHINGTON — Who killed health care reform? As in "Murder on the Orient Express," most of the suspects had their hands on the knife at one time or another: a divided Democratic Party on Capitol Hill, an overreaching Clinton administration, a fiercely partisan class of Republicans, and a relentless collection of interest groups.

President Bill Clinton has already taken much of the blame for the collapse of the health care effort, judging from his poll ratings. He raised enormous expectations when he stood before Congress a year ago, promising a vast new benefit to the middle class, urging the nation to believe that the federal government could, once again, step up to the challenge of creating big new domestic programs.

By the time George J. Mitchell of Maine, the Senate majority leader, declared Monday that health care was officially dead for the year, many Americans had not only stopped believing that change would help them, they had also come to fear it.

In recent weeks the message from the grass roots was to "slow down," according to members of both parties. "Understand that our constituents are asking us not to act this year," Representative Benjamin L. Cardin, Democrat of Maryland, said in an interview. "When you ask constituents, they say: 'Take more time. You haven't reached a consensus yet.'"

The White House and its allies argue — correctly — that this transformation of the public mood did not just happen but was fueled by millions of dollars from interest groups and by weeks of disciplined Republican attacks. But the reality remains that the president was seeking something big, something that would redeem his promise of a government devoted to the "forgotten middle class," and was unable to deliver.

He offered his plan as a "third way" between conventionally liberal and conservative approaches to the problems of the health care system. But he found himself painted into an ideological corner, seeming to defend just the kind of big, bureaucratic Democratic programs that he ran against as a "new Democrat" in the 1992 campaign.

Haley Barbour, the Republican national chairman, said in an interview, "The American people have rejected the Democrats' government-run health care system" — a line that will doubtless be repeated many times during the fall campaign. Congressional Democrats, many of whom will face the judgment of the voters far sooner than the president, may end up taking some of the blame in a more subtle, indirect manner. Pollsters had long told Democrats on Capitol Hill — who, as a majority, have more to fear from the anti-incumbent mood — that one of the surest ways to protect themselves was with a solid record of legislative accomplishment, centered on health care.

"Sure, it would have helped," a Democratic strategist said. This, however, does not mean that the Democrats are about to let the Republicans off the hook.

While the Democrats did have difficulty reaching a consensus, the Republicans were, in fact, clearly in an obstructionist mood, a point that Mr. Mitchell made again and again in his news conference Monday. He pointed, repeatedly, to a comment attributed to Senator Bob Packwood, Republican of Oregon, who is a leader in his party on health care: "We've killed health care reform. Now we've got to make sure our fingerprints are not on it."

Mr. Mitchell, who gave up a chance at a seat on the Supreme Court to devote himself to the drive for health legislation and who usually speaks carefully, said flatly, "I think there is now a policy in place on the part of the Republicans of total obstruction — that is to say, simply to block anything and everything no matter what."

The polls suggest that this may be a futile appeal, with many voters already viewing the Republicans as naysayers acting more out of partisan needs than honest disagreement. Republicans, while gleeful at the defeat handed to Mr. Clinton, were by and large careful to say that they, in fact, supported legislation to overhaul health care — just not the kind proposed by the Democrats. "In fact, there was an overwhelming consensus on the part of the American people to put on the brakes, and my view is we saw democracy in action," said Bob Dole, the Senate minority leader.



A vendor selling buttons that read: "Simpson Juror Reject, Did Not Make the Cut."

## Simpson Judge Optimistic on Jury

LOS ANGELES — The judge presiding over the O.J. Simpson murder trial indicated Tuesday that the selection of an impartial jury in the highly publicized case did not appear to be as difficult as it first seemed.

On the second day of jury selection, Judge Lance A. Ito of the Superior Court said the process was going smoothly and that the number of potential jurors who might qualify for the final pool of 250 appeared to be 25 percent to 30 percent higher than he had expected after only one day.

He added that the final pool from which the jury would be picked could be settled as early as Thursday.

Mr. Simpson, a football hero turned actor and advertising pitchman, has pleaded not guilty to charges that he murdered his former wife, Nicole Brown Simpson, 35, and a friend, Ronald Goldman, 25, outside Mrs. Simpson's town house on June 12.

Addressing the pool of potential jurors, Judge Ito said: "I have never seen a case as unusual as this case. This is probably the most important decision you will make in your personal life. This is the most important decision of any American citizen. I need a fair jury."

Of the 241 jurors brought in Tuesday, 79 said serving on the jury would cause a hardship and asked to be excused. 72 said serving would pose no hardship and 90 were unsure. The judge and attorneys then discussed who should be excused and who should be questioned further.

Judge Ito excused 119 jurors Monday and told 109 others to fill in exhaustive, 75-page questionnaires.

The judge had originally planned to question about 1,000 prospective jurors to get a pool of 250, but indicated Tuesday he might not need to question that many because the dropout rate was lower than expected.

## POLITICAL NOTES

### Making Whitewater Waves

WASHINGTON — In an unusual move, five past presidents of the American Bar Association have issued a joint statement expressing concern about the fairness and objectivity of the judicial panel that appointed the independent counsel in the Whitewater investigation.

The former association presidents said they were worried that political considerations "may have influenced the decision of the special court to replace Robert Fiske with Kenneth Starr as the independent counsel." While expressing "the utmost confidence in Mr. Starr's integrity and objectivity," they called on the three-member judicial panel that appoints independent counsels to act in an impartial manner in the future.

The statement is the latest in a string of criticisms leveled against the panel, which selected Mr. Starr because it felt Mr. Fiske's earlier appointment by Attorney General Janet Reno could call his objectivity into question. Two citizens — a New Haven, Connecticut, lawyer and a Virginia housewife — have filed formal complaints with the chief judge of the U.S. Court of Appeals for the District of Columbia Circuit seeking a review of Mr. Starr's appointment. The court has declined to comment on the sealed complaints.

The three-judge Special Court removed Mr. Fiske and appointed Mr. Starr this summer after some conserva-

tives in Congress complained that they did not think Mr. Fiske was being aggressive enough in the initial phases of the Whitewater inquiry, which included an examination of the circumstances surrounding the death of Vincent W. Foster Jr., the White House deputy counsel. Mr. Fiske determined the death was a suicide.

The abrupt change in counsels created a dispute after it was revealed that shortly before announcing the change, David Sentelle, chief judge of the Special Court, had met with one of Mr. Fiske's harshest conservative critics, Senator Lauch Faircloth, Republican of North Carolina. Both Mr. Sentelle and Mr. Faircloth insisted that their luncheon meeting was a social event and that Mr. Fiske was not discussed. (WP)

### Democratic Losses Loom

WASHINGTON — President Bill Clinton's pollster sees larger-than-expected losses for the Democratic Party in the midterm congressional elections.

"We're going to see a new Congress when all of this is played out; it will certainly be more Republican," said Star Greenberg in an address to the National Restaurant Association meeting here. "There is no scenario that will produce a more Democratic Congress."

Mr. Greenberg said that if this were a normal year, with the economy about what it is, Democrats could be expected

to lose 3 to 5 Senate seats and 15 to 18 House seats, based on past statistics. But, he said, "I think you'll probably see something more than that."

Mr. Greenberg said there was an anti-incumbent mood in the country that will affect both parties, but he noted that the congressional elections, Democrats have more to lose because there are more of them.

Republicans are shooting for a gain of seven seats to win control of the Senate for the first time since they won it in the Ronald Reagan landslide of 1980 and held it for six years. In the House, they need to gain 40 seats for control or 25 to 30 seats for effective control of the chamber, which has been in Democratic hands for most years since World War II.

Regardless of the final numbers, Mr. Greenberg predicted a "very different" type of Congress next year. He said he expected Mr. Clinton would reach out more to Republicans in forming legislation and pointed to the last-minute compromises with Republicans to win passage of the crime bill. (Reuters)

### Quote/Unquote

President Clinton, as it was formally announced that his health-care plans were dead for the year: "For the sake of those of us who touched us during this great journey, we are going to keep up the fight and we will prevail." (NYT)

## Away From Politics

• A woman swimming off Hilton Head, the South Carolina resort island, was bitten from her chest to her thigh by what authorities suspect was a 10-foot (3-meter) shark. Lioubov Kozarova of Maryland was in good condition. Whatever bit her had a bite radius of about 18 inches (45 centimeters), an official said.

• James E. Swann Jr., the shotgun stalker who terrorized Washington neighborhoods last year, was declared not guilty by reason of insanity in 14 attacks — including four slayings — after psychiatrists told a judge that Mr. Swann was "driven to shoot people by screaming, disembodied voices only he could hear." The judge ordered him confined indefinitely in St. Elizabeths Hospital, a psychiatric facility.

• The Energy Department has decided to delay the arrival of ships delivering radioactive waste from Europe, giving South Carolina more time to try to get the courts to block the shipment. Two ships carrying 153 spent nuclear fuel rods are several miles off the Carolina coast. The shipment is part of a U.S. effort to keep weapons-grade uranium out of the wrong hands.

• The longtime president of United Way, removed from his post in 1992 over allegations of lavish spending with charity money, was ordered to stand trial in February on charges he helped loot \$1.5 million. William Aramony has pleaded not guilty to charges he diverted funds to buy a New York City apartment for his girlfriend, among other things. AP, WP

## Monday MONDAY SPORTS

In addition to the daily sports pages, Monday Sports is expanded to include full weekend results of international sporting events. On these pages, you'll find the results of tennis, soccer, football, basketball, rugby, golf and many other sports.

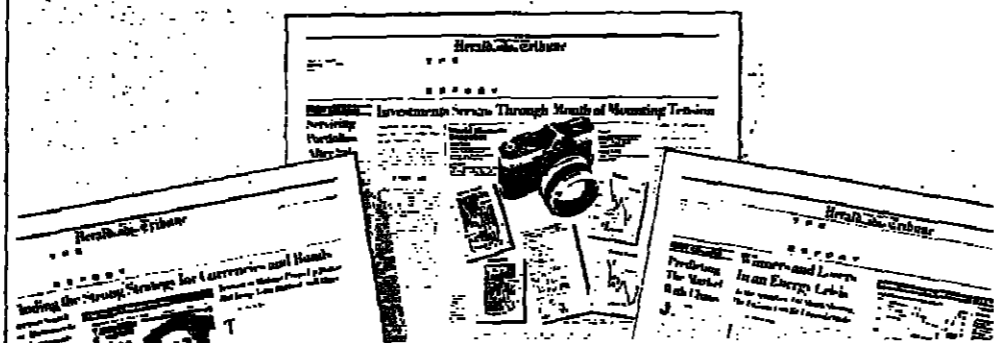
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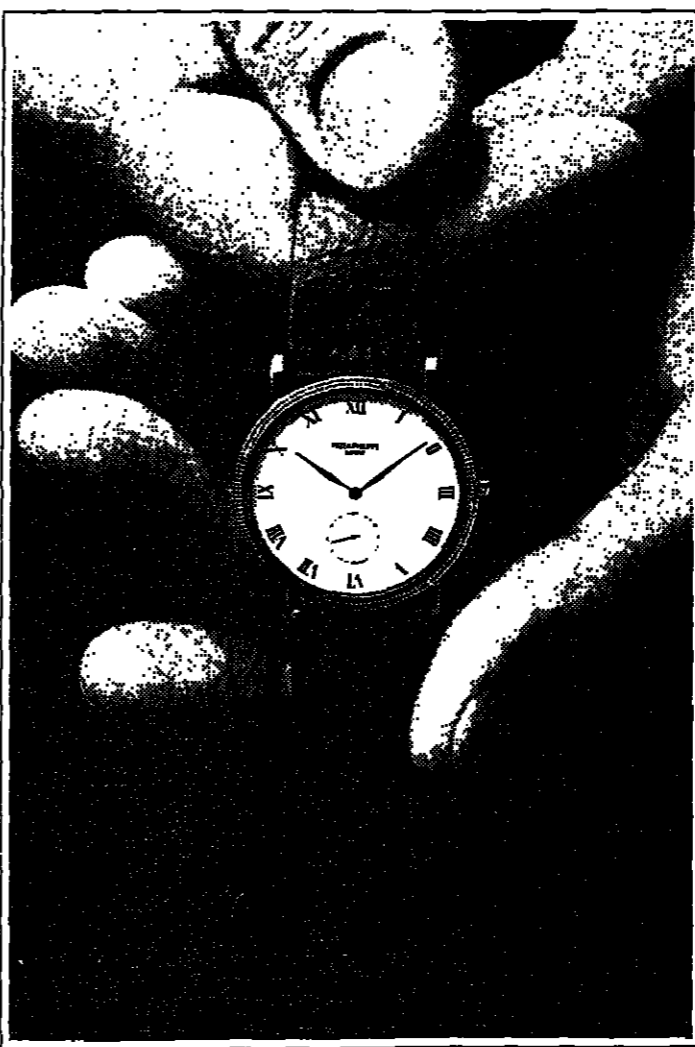
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## Stick to the Bosnia Plan

It develops that Bosnia's beleaguered Muslim government wants the discriminatory United Nations arms embargo lifted, but not right away. Early lifting, it fears, will expose it immediately to heavier Serbian forces through a difficult winter and before it could expect to profit itself.

This forecast by the Muslims, whose victim status gives them a special claim on international regard, tends to confirm the apprehension that lifting the embargo would widen the war without conferring any, if any, advantage on the underdog Muslims. But politically a delay in implementation would ease the conflicting pressures on President Bill Clinton: Congress urges him to lift the embargo and Russia and the Europeans to keep it in place.

This development, if it is real, would still leave Bosnia in desperate straits. If the military balance is not going to be altered soon, then other steps need to be taken to enforce the five-nation peace plan. For all its flaws, this plan is the only internationally supported vehicle with any chance to stop the war, partly peel back the Bosnian Serbs and bring some relief to what remains of Muslim and multiethnic Bosnia. One of these steps was just discussed at Bosnian in-

stance at the United Nations: to create a 5-kilometer (3-mile) demilitarized zone inside the existing 20-kilometer heavy-weapons zone around besieged Sarajevo. But of course neither zone is worth a pig's whistle if it is not enforced with air power. Here the UN-NATO record has been abysmal.

Then extra economic aid has got to be provided to help carry the Bosnian Muslims and their Bosnian Croatian partners through the hard Balkan winter.

Most important of all is to demand high performance from Serbia in sealing its border with the Serbian parts of Bosnia. Serbia is doing this under duress to earn a reprieve from punishing international sanctions. In return the United Nations has now repealed for a trial period some of the lesser sanctions: on sports and cultural contacts and on passenger flights. At the same time, to drive the wedge between the Serbs a bit deeper, the United Nations tightened sanctions on the Bosnian Serbs.

It is not enough for Serbia to close the border, even with monitors. It did the most to launch the war, and it must be held responsible for getting its former pets, the Bosnian Serbs, to sign on the international dotted line. Anything less is a joke.

—THE WASHINGTON POST.

## The Health Care Collapse

The majority leader of the U.S. Senate, George Mitchell, buried health care reform Monday, asserting that it would be impossible to pass even a scaled-back bill in the days before Congress breaks for elections. That is probably true. Congress has thereby blocked President Bill Clinton's main legislative initiative and consigned 40 million uninsured Americans to another year of medical roulette.

The defeat ought to trigger an orgy of blame, and there is no shortage of deserving recipients. White House insistence on secret deliberations produced a bill that no one in Capitol Hill was committed to support. A politically inept health adviser, Ira Magaziner, designed a legislative behemoth that scared most members of Congress—and the public. Hillary Rodham Clinton alienated the pharmaceutical industry and other interest groups that she ultimately needed to push reform through Congress. Demagogic special-interest lobbying and cynical Republican obstructionism designed by Bob Dole in the Senate and Newt Gingrich in the House played a role in the final stall. So did the listless advocacy of Mr. Mitchell and puzzling embrace of defeat by Mr. Clinton and his disorganized White House staff. There will be plenty of time to figure out who did the most damage.

But it is at least as important to look forward as it is to look back. A new and probably more conservative Congress will tackle health care next year. That puts even more emphasis on striking a bipartisan accord. On that score, Americans can take encouragement from the last few weeks. Mr. Mitchell has come to near-complete agreement with the "mainstream

coalition" on a fine bill that would provide market-driven health care reform.

It would not guarantee every American coverage—as the president had promised—but it would establish universal coverage as a national goal and subsidize insurance for low-income children and pregnant women. The Mitchell-clinton compromise bill provides an excellent springboard for next year.

The danger is that Congress will try to undertake a series of piecemeal reforms that will almost surely fail to control costs or preserve the health care system's unrivaled capacity to innovate and improve. States can strike out on their own, but a crazy quilt of 50 different reforms—which would leave millions uninsured in its wake—would be unacceptable.

Mr. Mitchell chose to forfeit the game rather than force a vote on a compromise bill and incur the risk of an embarrassing defeat for himself and the president. Mr. Mitchell will be leaving the Senate, as will the pro-reform Republicans John Durenberger of Minnesota. That will make Mr. Clinton's task that much more difficult. The president above all needs to absorb the lessons of his defeat, calculate what is politically possible and help design a bipartisan plan that can be sold to the public and then to Congress.

The energy burst of the 1992 election is now a distant memory and the goals of market reform and universal coverage seem far away. Mr. Clinton faces a long, grinding march to reach those goals, but reaching them is still his surest bet to win a strong place in the history books.

—THE NEW YORK TIMES.

## Sweden's Vote for Women

Sweden's election last week put the Social Democrats back in office after three years of conservative rule. It also brought the share of women in the Swedish Parliament to 41 percent, the highest in the world.

Europe's Nordic countries set a high standard for sexual equality in politics. The Finnish and Norwegian Parliaments are both 39 percent female; the Danish percentage is nearly as high. Even before this election, the Swedes had 33 percent. Sweden's big jump this time resulted from the Social Democrats' insistence that every other candidate on its list be female. With counting nearly complete, at least 80 Social Democratic women have been elected. Adding those from other parties, the new Parliament will include 142 women. Americans may find a 50 percent quota

a mechanical means to a worthy end. But America's hit-or-miss approach has left women badly underrepresented in political life. Indeed, 1992 was hailed as "The Year of the Woman" when the number of female senators rose from three to six—out of 100. Thanks to the 1993 election of Kay Bailey Hutchison, there are now seven women in the Senate. The House has 47, just over 10 percent of its membership. Women occupy 5 out of 50 governorships.

No major U.S. party is likely to follow the Swedish Social Democrats' example any time soon. But they could set higher targets for nominating women and make serious efforts to achieve them. That might help reduce the alienation that voters now feel about politicians who often seem distressingly remote from the concerns of ordinary life.

—THE NEW YORK TIMES.

## Other Comment

### Closing In on the 'Missing Link'

Sixty years ago, the idea that people were descended from apelike creatures seemed shocking. Darwin's "Origin of the Species" had been attacked as blasphemous by fundamentalists like William Jennings Bryan. Reports that scientists have found the bones of the oldest known ancestor of human beings no doubt will set Mr. Bryan spinning in his grave again. The remains, discovered in Ethiopia, appear to be 4.4 million years old, more than a half million years older than the earliest human ancestor previously unearthed.

The find provides a key link in the evolutionary chain connecting modern hu-

mans with the earliest primates. Researchers believe the line that led to modern humans split off from the ancient apes between 4 million and 6 million years ago. Old as these bones are, they still do not represent the "missing link" long sought as the common ancestor of humans and apes.

Millions of years from now modern humans will also have joined the fossil record. If there are intelligent creatures around to dig up our bones, you can be sure any one who dares suggest we might be their ancestors will be denounced. Darwin was right, but that probably won't make it easier for our descendants to swallow the truth about their humble origins.

—The Baltimore Sun.

## Question for 2030: Who Will Be Able to Feed China?

By Lester R. Brown

This is the first of two articles.

WASHINGTON — The population of China is growing by 14 million a year. Incomes are climbing at a record rate, so the consumption of meat is rising even faster than the population. Yet the country's capacity to produce food is shrinking as a result of widespread conversion of cropland to industrial, housing, transport and other uses.

In Japan, the soaring demand for grain, driven by prosperity and the loss of cropland to industrial development in this half-century, has pushed dependence on grain imports to 77 percent of total consumption as of last year.

These same forces are now at work in China. It is one thing for a nation like Japan, with 120 million people, to turn to the world market for most of its grain, but if a nation of 1.2 billion moved in that direction, it could quickly overwhelm the export capacity of the big producer countries and drive up food prices everywhere.

Suddenly, China is starting to lose the capacity to feed itself. The decline comes after four decades of impressive progress, particularly since the agricultural reforms of 1978, which transferred land from production teams to individual families. The massive unleashed by these reforms boosted China's grain output by 1984 from 200 million tons in 1977. That put China ahead of the United States as the world's leading grain producer.

Growth in output has slowed since the mid-1980s, but the earlier gain was enough to eliminate the traditional threat of famine. The issue now facing Beijing is not starvation but the prospect of a gap between demand for food and its production—a gap that will dwarf anything the world has seen.

This potential grain deficit is raising one of the more difficult questions international leaders have had to face: Who will feed China? The world's most populous nation is moving into uncharted territory on the food front. This inevitably will affect other countries.

While China's food production capacity is eroding, demand is surging. From 1990 to 2030, the population is projected to increase to 1.6 billion while incomes continue to rise. The Chinese economy has expanded by 40 percent in the last

three years. Never before have incomes of so many people risen so rapidly.

As this happens, one of the first things people on low incomes do is to diversify their diets, shifting from monotonous fare in which a starch staple such as rice supplies 70 percent or more of total calories, to more meat, milk and eggs.

Much of China is barren desert. In a country where there is no vast grazing land like that of the U.S. Great Plains, the rising demand for livestock products translates directly into demand for additional grain.

When China launched economic reforms in 1978, only 7 percent of China's grain was being used for animal feed. By 1990, that share had risen to some 20 percent, most of it used to produce pork. Now, demand for beef and poultry is also climbing. More meat means more grain—2 kilograms (4.4 pounds) of additional grain for each kilogram of poultry, 4 for pork, and 7 for each kilogram of beef added to the feedlot.

If the supply of grain does not expand at the rate of the appetites of the Chinese, food prices will soar. China's voracious demand for animal protein could overwhelm the world's grain-producing capacity unless alternatives to livestock are found. One precedent is found in Japan, which long ago adjusted to the limitations of its land by turning to the oceans for protein, giving rise to the now traditional fish and rice diet.

China's appetite for seafood, too, is rising—but with a key difference. In recent years, as fleets of other seafood-hungry countries have joined Japan in an aggressive hunt, the main ocean areas have been fished at or beyond capacity. The Japanese option has been eliminated for any major newcomers. As a result, China is having to grow its fish in ponds. It is doing so at a rate of 6 million tons per year. But this puts new demands on the country's shrinking cropland. Close to 12 million tons of grain were used in 1993 in these marine feedlots.

The good life for newly affluent Chinese

does not stop with meat and fish. They are also acquiring great enthusiasm for beer. Were each adult to drink just one more bottle a day, an additional 370,000 tons of grain would be required.

As the demand for grain soars, there is little potential left for planting new cropland. Much of China's huge landmass is arid and unproductive. Food-growing capacity is concentrated in a relatively small area—a band of river valleys constituting about one-third of the country along the southern and eastern coasts. This is where the bulk of the population lives. As both that population and the industrial economy grow, there will be

With the area of land under cultivation declining inexorably, China's ability to feed itself now rests entirely on raising the productivity of its cropland. However, rice yields are starting to level off, at around 4 tons per hectare. The potential for raising them further appears to be limited. With wheat, China's other food staple, the rise in yield is also slowing.

Nor is there much prospect of any large gains from further use of fertilizer. After climbing from 7 million tons in 1977 to nearly 29 million tons in 1993, fertilizer use is stabilizing as farmers reach the point of diminishing returns. Without the development of new cereal varieties that can respond to heavier applications of nutrients, the rise in yields can be expected to slow dramatically.

Food production in China will also be slowed by several environmental trends, including soil erosion, waterlogging and salting of irrigation systems, air pollution and global warming.

There is little prospect, then, that China can raise productivity fast enough to offset the loss of cropland. With grain production leveling off and then dropping by 1 percent or more this year, the long-term decline may be starting.

Assuming that rapid industrial growth continues, it appears likely that China's grain output will fall by at least one-fifth by 2030. The resulting grain deficit will be huge—many times that of Japan, now the world's largest grain importer.

In 1990, China produced 329 million tons of grain and consumed 335 million tons. Allowing only for the projected population increase, with no rise in consumption per person, China's demand for grain would increase to 479 million tons by 2030.

So even if China's booming economy produced no gains in consumption of meat, eggs and beer, a 20 percent drop in grain output, to 263 million tons, would leave a shortfall of 216 million tons. That level would exceed the world's entire 1993 grain exports of 200 million tons.

The writer is president of the Worldwatch Institute, an environmental research group. He contributed this comment to the International Herald Tribune.



By HANSEL, COW SYNDICATE

competing demands on the land for factories, housing, roads and highways. In each of the last three years, the loss has amounted to nearly 1 million hectares (2.5 million acres), or 1 percent of China's cropland per year.

Meanwhile, irrigation water is being diverted on a large scale to non-farm uses. This is a matter of acute concern in a country where half the cropland is irrigated. The drilling of millions of wells for irrigation is lowering water tables in much of China. The aquifer under Beijing, for example, has dropped from 5 meters (16 feet) below the surface in 1950 to 50 meters below in 1993.

## All the Empty Threats Against Japan Have Gotten America Nowhere

By Clyde V. Prestowitz Jr. and Alan Tonelson

WASHINGTON — President Bill Clinton has moved to preserve his credibility in Haiti, but his resolve is being challenged on another front—trade problems with Japan. At stake are some of the president's best hopes for creating good jobs and sustaining economic growth.

Mr. Clinton has set a Sept. 30 deadline for deciding whether U.S. and Japanese negotiators have made adequate progress in opening up Japanese markets, or whether the United States will have to take action to ensure that U.S. companies are not unfairly disadvantaged in those markets.

Powerful voices in Tokyo, on Wall Street and even in his own administration want him to let the deadline pass. They would rely on forces such as exchange rates and Japanese reformers to solve the trade problems. They portray any possible trade action as scapegoating Japan for America's own home-grown economic problems and as thinly disguised protectionism. And they blame the administration's flirtation with "managed trade" for the dollar's recent problems.

But these arguments blame the victim, ignore the serious costs imposed on the United States and world economies by Japanese

protectionism and forget the keys to successful negotiating.

For decades Japanese trade barriers have unjustifiably hurt not only American companies and workers but their Asian and European counterparts. They have limited job creation, depressed wages and prevented competitive non-Japanese businesses from realizing economies of scale and amortizing investments.

These costs are much higher than most economists recognize; a recent study by the Economic Strategy Institute shows that Japanese barriers are depressing U.S. exports by \$50 billion annually, preventing the creation of up to 1 million jobs and depressing world economic output by \$400 billion a year.

President Clinton needs to remember that the traditional approaches to Japanese trade issues have had no discernible effect on the trade balance. Not even the yen's dramatic rise since 1985 has helped. The currency markets' reaction to the latest monthly trade figures shows that the continuing deficit—and not the president's trade policy, are largely responsible for exchange rate volatility and the weakening of the dollar. How

else can the markets react to the prospect of huge current account imbalances with no end in sight?

More sobering, American industry's remarkable across-the-board competitive comeback in recent years has not affected the trade balance either.

American goods have never had bigger price advantages in Japan, and as all economists agree, their quality has not compared as well for many years. Yet the bilateral deficit this year threatens to break \$60 billion—a record.

The president should remember that he has a strong case to make. Indeed, although autos and auto parts still account for most of the deficit, he can make many strong cases. Take the flat glass industry. The \$4.5 billion Japanese market is the world's second largest. Japanese production costs in this capital-intensive industry are kept among the world's highest by high energy costs. And Japan has lagged in developing and using technologically advanced glass products like insulating glass, laminated safety glass, and high-performance glass coatings. U.S. and European firms dominate these product areas.

Yet, in 1993, glass imports ac-

counted for just 3 percent of the Japanese market—a level much lower than in any other industrialized country. The main reason: Japan's market is a cartel, divided among three Japanese producers that have held virtually constant share for 20 years and have tightly controlled distribution.

The president also must remember that, whether in trade policy or private business, negotiating endlessly without specifying consequences for noncompliance and without following through usually leads nowhere and destroys credibility.

The rest of the world is watching. If the United States simply accepts Japanese intransigence, how will it open markets in China—whose surplus with America will approach \$25 billion this year—or in other countries?

Finally, the president should keep in mind that the Japanese themselves have agreed to seek trade solutions that can be measured in some way. Of course, the president has many options for responding to Japanese barriers other than those afforded by the 301 or Title VII sections of U.S. trade laws. He could emulate the French and force all Japanese products to enter the country through a single

customs house. He could emulate the Japanese themselves and require their products to undergo the same Mickey Mouse inspections to which American products sold in Japan are subjected.

The stand-patners rightly argue that such practices are neither "legal" nor "transparent," and thus unfair. But they object to the president's legal remedies as well. They should simply admit that they don't care about solving America's Japan trade problem.

The president, however, has to care. If negotiations do not succeed, he will have no choice but to use remedies provided by U.S. trade laws. Far from representing protectionism, these measures seek to open foreign markets by dealing directly with barriers. He should focus on the more egregious problems—cartelized industries, controlled distribution systems, unfair government procurement practices. If Washington will not press such open-and-shut cases, what economic interests will it defend? What message will it be sending to the rest of the world?

Mr. Prestowitz is president and Mr. Tonelson a fellow of the Economic Strategy Institute. They contributed this comment to The Washington Post.

## Upbeat Brazilians Look Ready to Put Scandal Behind Them

By Philip Bowring

RIO DE JANEIRO — A wave of optimism is rolling over Brazil. Riding the wave is Fernando Henrique Cardoso, the former finance minister who now looks like such a sure bet to win Monday's election for president that he may do so on the first ballot—a feat that seemed impossible just a few months ago.

The latest opinion polls show him with 45 percent of the vote, twice the level of his main leftist rival, Luiz Inácio da Silva, who is widely known as Lula.

If the World Cup soccer victory helped raise national spirits, it is the success of the Plano Real, the new currency and anti-inflation strategy conceived by Mr. Cardoso, that has won over a public skeptical after the past failure of many such plans.

Yet if he is to meet Brazilians' expectations, a President Cardoso would have to use the momentum of his election to push through major changes in the way Brazil is governed. In particular he would need to bring about fiscal reforms to underpin the new currency.

There is a rough consensus for change. But getting it through Brazil's complex and decentralized U.S.-style political structure is another matter. Indeed, the long-term outcome of Monday's mammoth process, with the lower house, two-thirds of the Senate, and state legislators and governors up for election, may affect the durability of democracy.

While Brazil has been relishing its democratic freedoms and political rivalries, there is a perceived need to make politics less corrupt and more capable of delivering effective government.

Even in the short run, nothing is certain. Brazilian politics has a habit of springing surprises, many of them nasty. Skeletons have a habit of popping out of

cupboards at critical moments. But most Brazilians are hoping the third time will be the charm.

The country saw its first president after the return to civilian rule, Tancredino Neves, die suddenly. Its second, Fernando Collor de Mello, was impeached. In both cases the presidency then fell to men with few ideas and little ability to extract results.

Mr. Cardoso's progress is bringing the hope that politics and economics can move together, creating a dynamic that will be able both to tackle the nation's

The long-term outcome of Monday's election may affect the very durability of democracy in Brazil.

social and political problems and to restore economic growth to levels enjoyed up to the late '70s.

If things go well on the political front, suggests the noted economist Carlos Langoni, GNP growth should exceed 6 percent next year and 8 percent in 1996. Profits are responding to a revival of demand and the impact of productivity gains forced on them by recession and foreign competition. Businessmen are exhibiting optimism unseen for years. Regional trade liberalization has helped.

Foreign portfolio capital has been flooding in. Long hobbled by debt, Brazil today can afford investment-driven demand stimulus: Foreign reserves exceed \$40 billion and the trade surplus is running at \$12 billion a year.

Mr. Cardoso's popularity may seem surprising in Brazil, where colorful figures and state-based machine politicians are the usual

alternatives. A soft-spoken, left-of-center former professor, he has a telegraphic smile but few other attributes of populist politicians. But perhaps that is his strength.

If Brazil has tired of demagoguery, scandals and quick remedies, Mr. Cardoso's time may have come. He has captured the center and forced those to the right to back him against Lula, who nearly won in 1989.

Lula, the working class hero, remains personally popular. But there is a sense that the policies he represents are outdated—a mixture of socialism and nationalism. And some fear that Lula's Workers Party would be stymied by a mostly conservative Congress.

Mr. Cardoso will not find it easy either. Last year, confusion and lack of presidential leadership caused the Congress to pass up an opportunity to amend the constitution by simple majority vote.

There are those who fear that Mr. Cardoso has the right ideas but lacks the toughness to push them through. His running mate, Marco Maciel, is seen by critics as an opportunist from a political clan in the electorally important but economically backward Northeast. But a resounding victory would give Mr. Cardoso momentum to push changes through a Congress that will remain splintered. His many years in Congress will enhance his ability to get results—unlike Mr. Collor, who antagonized Congress.

Most urgent will be fiscal reforms to improve the tax system and reduce the states' ability to undermine federal monetary policy. Though Mr. Cardoso's reputation rests so firmly on the Plano Real, he is unlikely to preside over a return to hyperinflation. But without fiscal reform it will be impossible to bring inflation down

permanently to international (and now Latin) norms. Other early changes will speed up privatization and allow foreign investment into prohibited sectors.

Other key issues requiring the president and Congress to act in concert include the bankruptcy of the social security system, and labor laws that protect the organized minority and limit employment opportunities for the majority.

Tackling Brazil's notorious social and income inequality problems will not be easy. But a stable economy will benefit those not protected by inflation indexation. And it will lower real interest rates, thereby encouraging investment and shifting government resources from debt service into productive or social sectors. The recovery in growth is already

generating urban employment. Fiscal reform, if achieved, will raise revenue from the untaxed rich and help shift spending to projects that are either economically sound or promote the health and welfare of the poorest.

But spending, on land reform or public health, will have to take second place to fiscal stabilization. Brazil's income distribution problems are due as much to the varying levels of development of a vast country as to the greed of the elite. Changes not just in the fiscal system but in social attitudes and education are needed. First, a stable macroeconomic and political environment is needed.

The belief that the coming election can at last deliver those is at the root of today's optimism.

International Herald Tribune.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1894: China Imperiled

PARIS — The despatches telegraphed by one of our Special Correspondents at Shanghai during the past few days have contained news from the seat of war in the East that shows that China has received such a shock as to almost justify a fear of disintegration. The foreign Mantschou Dynasty of Emperors are about to abandon Peking, which has been their capital for nearly three hundred years. The Chinese regular army have degenerated into an armed rabble. The authority of the Mandarins is imperiled.

### 1919: Baltic Ultimatum

PARIS — The Council of Five of the Peace Conference has sent another ultimatum to Germany, demanding this time the evacuation of all German troops under Von der Goltz from the Baltic prov-

inces, Lithuania and Courland. Marshal Foch, as Commander-in-Chief of the Allied Armies, is to send the ultimatum, which is to take the form of a Note.

### 1944: Balkan Landing

ROME — [From our New York edition.] Allied forces have landed in Albania and on the Adriatic islands of Yugoslavia on a wide front, it was announced today [Sept. 27]. The action was believed to be the opening blow of a pincers drive against Adolf Hitler's crumbling Balkan empire in co-ordination with the Red Army to the north. Air and sea borne troops of the newly formed Land Forces of the Adriatic made the first big penetration of the Balkans by the western Allies and Berlin said fighting was in progress along a 400-mile front on the Albanian and Yugoslav coasts.

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OPINION

## They've Made It Quite Clear: All Jews Will Be Targets

By A. M. Rosenthal

NEW YORK — The two massacres do not appear on the agenda as presidents and prime ministers attend the new session of the UN General Assembly in New York. But the plain reality is that they are the essence of what the United Nations is supposed to deal with: aggression and expanding threats to international peace and security.

The first massacre took place on March 17, 1992: the bombing of the Israeli Embassy in Buenos Aires. Twenty-nine people were killed. The message was that no Israeli establishment, anywhere in the world, was safe from attack.

The second took place on July 18, 1994, again in Buenos Aires: the

written large: We did it and we will do it again, know us. But not a single arrest or report in the 1992 bombing has been made by Argentina.

In the United States, Argentina and Israel, Jewish groups ask whether Argentine "neo" Nazis helped the bombers. American sources say they have no such evidence but do know of connections between the militants and Nazis in other countries — including the United States.

In any case, not one official I have talked to in any country doubts that Iran knew of and approved the Buenos Aires operations. The Israelis say so publicly; Westerners ask that their names not be attached.

Soon after the 1994 bombing, the Argentines issued warrants for some suspected Iranians, then withdrew them and apologized to Iran. Professional intelligence people do not charge an Argentine cover-up, and in a real sense the bombings make Argentina a victim of Middle East terrorism. But overall, the investigations have not been a triumph for the Argentine government — an embarrassment would put it kindly.

Some of my sources say that maybe the Syrians did not know in advance of the first Hezbollah massacre, maybe. But not to get a hint that a second attack against the same city could be launched from the Bekaa — that is fairy-tale time, children.

The only question about the second message — the war is against all Jews — is why it has taken so long to get across. There were no Israelis in that Jewish community center, and the bombers knew it.

Somehow Westerners have not grasped the fact that the terrorists of Hezbollah and other radical Islamic groups utterly reject the idea held by many other Muslims that there should be a difference in enmity toward Israelis and other Jews.

Certainly Hezbollah does not hide its hatred of Jews as Jews. In the October issue of Commentary, Martin Kramer quotes Sayyid Mohammed Hussein Fadlallah, the "spiritual" leader of Hezbollah: "The struggle against the Jewish state, in which the Muslims are engaged, is a continuation of the old struggle of the Muslims against the Jewish conspiracy against Islam."

July 18 in Buenos Aires was long-distance Kristallnacht. Maybe the fact that the crime leaped across borders will persuade nations to do something about Iran, terrorism's master, and Syria, its safe haven. But I do not think so.

The New York Times

### THE O.J. TRIAL:

An Aerial View



## On Trusting Your Doctor: Try a 1902 Object Lesson

By Gene Weingarten

WASHINGTON — The doctor's voice was grave. My father, he informed me, has a fatal heart condition. Before it kills him it will enfeeble him, impoverish his faculties, render him an invalid in need of round-the-clock nursing care.

That was two years ago. Since then my father has celebrated his 80th birthday. He won first prize in a national math-puzzle competition. He does my taxes. He beats me at poker. I go to his place to watch football games because he lets me smoke cigars and swear. There is nothing wrong with his heart. Never was. Hubris is by no means confined to medicine. Still, I think it is practiced

A man's hair loss may be arrested through the application of a pomade of lard and rum.

Difficulty in urinating requires a marshmallow enema.

And of course there is cancer. Cancer is a serious matter, not to be trifled with. Fortunately it is limited mostly to individuals of "scrofulous constitutions." Many tumors may be eliminated by the application of "a poultice of figs boiled in milk."

Women are mysterious creatures, intellectually equal to "the sterner sex" but so constitutionally inferior that they must be coddled throughout life. Fortunately, aside from pregnancy — a time when the practitioner must deal with a woman's inexplicable, insatiable appetites for nonfoodstuffs such as clay, chalk and charcoal — women's medical problems are easy to diagnose.

"When a woman feels that she is growing more discontented with life, that it is a burden, and she is very nervous and irritable, she should consult her physician, and nine times out of ten the whole trouble will be with the womb." Often, her womb will have "fallen," an unfortunate condition that appears to have reached epidemic proportions in turn-of-the-century America. It can be nicely rectified through a douche made from peach leaves and beer hops.

Flipping through this book, one discovers that almost every ailment — rheumatism, catarrhs, eczema, convulsions, sciatica — responds to sustained doses of laxatives.

Proper nutrition is essential to good health; one must not only consume the egg, but also the shell. Sea-sickness may reliably be prevented by breathing in when the ship dips, and out when it rises.

Soon I am to undergo some minor outpatient surgery. At the hospital I shall don a paper gown that exposes my behind and entrust myself to an excellent doctor of my acquaintance. He is one of the very best physicians and surgeons of modern practice. He will give me a marshmallow enema.

Just kidding! That would be ridiculous. We have come a long way since then. No, my doctor will stab me in the side with a humongous needle and yank out a little plug of flesh, just to see what it is made of.

Hey, I am not at all concerned. Why should I be? I am assured this is One of the Most Approved Remedies and Methods of Treatment Known to Advanced Practitioners. I am certain that 92 years from now it will not seem at all foolish.

The Washington Post

### MEANWHILE

peerlessly in the consulting room, often in conferences between persons wearing stethoscopes and others wearing paper gowns that expose their behinds.

Until last week, I blamed the arrogance of medicine not on doctors, but on modernity, the technologies that have elevated the physician to the role of divine mechanic: Mr. Godwrench. In my thinking, doctors of earlier, simpler times were probably just fellas, avuncular dispensers of common-sense therapeutics, aware of the limitations of their science and of themselves.

Anyway, that is what I thought until last week, when I happened upon a book published in 1902, "The Cottage Physician," written by a consortium of "the best physicians and surgeons of modern practice," was a popular home medical text. The book is charming in its delicacy. It begins, for example, with a diagram of "The External Location of the Organs," from which one might reasonably conclude that the human body possesses no genitalia.

The most striking thing about this book, however, is the authority with which it presumes to speak on medical matters large and small. Cautioning against quackery, it promotes "The Very Best and Most Approved Remedies and Methods of Treatment Known to Advanced Practitioners." To wit:

The diabetes sufferer is informed that his condition is of his own making, caused by excessive sexual intercourse, by generally intemperate living and by "copious evacuation of the bowels." For treatment, the licentious wretch is advised to wear flannel clothing, to eat no vegetables, to vomit frequently and to take suppositories carved from bars of soap.

### LETTERS TO THE EDITOR

#### Haiti's Suffering Isn't Over

When did the United States ever care about democracy in Haiti? Ever since the first U.S. tax dollars went to arm and train François (Papa Doc) Duvalier's death squads, U.S. meddling in the internal affairs of Haiti has caused only misery and suffering for Haitians. Now it looks like more suffering is on the way. What kind of a foreign policy is it that guarantees torment for the people America pretends to help?

Was America's support for Duvalier-style regimes necessary as a basis against communism in the Western Hemisphere? I would certainly like to think so. But without any reforms — social, agricultural, economic or judicial — for the people of the Caribbean or Central and South America, it seems that America's sole purpose was to procure resources and labor for itself while ensuring the enrichment of those willing to do America's dirty work.

I say stop the suffering, take responsibility for creating this problem in the first place, and end the

nauseating rhetoric about "democracy" and America's "duty."

It would have been far better to recognize the Cédra regime, donate the invasion money to the people of Haiti and get on with making friends with these people, not enemies. Haiti has suffered enough.

STEVEN TROP,  
Amsterdam.

#### The Cartoon Insults Nixon

The Sept. 23 cartoon depicting former President Richard Nixon in hell and making a deal with the devil to "take over" in the United States is despicable and goes far beyond the standards of decency. Mr. Nixon was absolutely correct when, during his "last press conference," he said: "Just think how much you are going to be missing!" Apparently, the press does miss him so much that it has to resort to this type of indecency. President Nixon was the best thing that ever happened to the United States.

RALF RITTER,  
Bangkok.

#### Multinational Pastime

As an American who has lived in Britain for 40 years, I have only now begun to take a desultory interest in that admittedly quirky game, cricket. While I have enjoyed the articles of Mary Blume over the years, I must take exception to her recent back-page feature "An American View of Cricket: the English Malaise" (Aug. 27).

It is based on her interview of an American "Marxist" author who has just published a history of cricket. His views are insufferably patronizing and misleading. The implication is that cricket is a somewhat racist, peculiarly English sport. In fact, it is the national, or second national sport of more than 1 billion people, the great majority of them nonwhite.

Arguably, the best current team is the West Indies, many of whose players are mainstays of English county cricket teams.

J. C. HARLE,  
Oxford, England.

What a day. Lousy weather. A terrible meeting. A terrible traffic jam. And then, at last, something to smile about.



Lufthansa

Welcome aboard.



**THE WRONG STUFF** — Daniel Bursch, an Endeavor space shuttle astronaut, wearing a disguise Tuesday to try to ward off a third straight scuttling of his mission. His colleague Peter Wisoff did not follow suit. They and four other astronauts are due to lift off on Friday from Cape Canaveral, Florida, to monitor the Earth using radar.

## AMERICAN TOPICS

### Perils of Modern Life Department: Smell of Baking Bread Is a Hazard

Sad to say, it seems that the delectable aroma of baking bread may help create smog. Big bakeries around the United States may soon be called upon to limit their fragrant emissions as states work to meet federal clean-air requirements, The Associated Press reports.

That means fewer warm, comforting bread smells that hark back to Grandmother's kitchen.

When bread reaches 174 degrees Fahrenheit (78 centigrade) — when it's baked to perfection — it emits ethanol as a gas. Thirty-three of the 50 U.S. states either have or are drafting ethanol emissions regulations for large bakery ovens.

Ethanol is a volatile organic compound that contributes to ozone buildup close to the ground. The 1990 Clean Air Act gives states until November to submit plans for reducing ground-level ozone.

High in the atmosphere, the thinning ozone layer allows dangerous ultraviolet radiation to seep through to Earth. Close to the ground, too much ozone means smog.

U.S. Environmental Protection Agency officials emphasize that ethanol regulations do not apply to small neighborhood bakeries, only to large bakeries with the potential to release more than 50 tons of ethanol annually.

### About People

Barry Goldwater just hates the word "hate." "It's the worst word in our language," the retired Arizona Republican senator told an appreciative audience at the Working Toward Hate-Free Communities conference in Prescott, Arizona, last week. "Drop the word 'hate' from your vocabulary," he said. "If you don't want to use it, say, 'I don't love him as much I should.'"

### Short Takes

There is no limit, in blood or money, to the value of the jewel-encrusted Maltese Falcon, the villainous Sydney Greenstreet hisses at the private eye Humphrey Bogart in the 1941 film of the same title. Wrong, says Christie's. The auction house estimates that someone will pay \$30,000 to \$50,000 for the nearly 50-pound (23-kilogram) lead bird, one of two made for the movie. The prop goes on the block Dec. 6. The foot-high (30-centimeter) falcon comes from a private estate. The slashes on its head and wing were inflicted during the scene in which Greenstreet discovers that it's a fake. The only other full-weight, authentic Maltese Falcon is owned by a doctor in Beverly Hills, California, Christie's said.

One of the problems of life on wheels is the water heater, Kirk Johnson writes in a New York Times article, "Confessions of a Motor Home Dropout." "It holds exactly six gallons," Mr. Johnson warns. "The best way to find out what that means is to take a shower. You will probably find — quickly — that you have never actually taken a six-gallon shower, and you will come out smarter and colder than when you entered."

International Herald Tribune.

## Report on Reprisals By Tutsi Sets Off Bitter Feud at UN

By Raymond Bonner  
New York Times Service

GENEVA — Allegations by the United Nations High Commissioner for Refugees that the new, Tutsi-dominated Rwandan government has killed thousands of Hutu in recent months have set off a bitter row within the United Nations, with charges that the agency had no authority to conduct a human rights investigation and that the findings are without foundation.

In an effort to quell the controversy and to protect against the possibility that the Rwandan government, which has reacted angrily to the report, might expel all UN forces from the country, the UN secretary-general, Boutros Boutros Ghali, has ordered an investigation into the allegations. He has also issued "strict instructions" to all UN officials not to talk about the agency's findings, which are based on a five-week investigation.

"I'm disappointed that other UN organizations won't accept these reports and say this is something that needs to be examined, instead of trying to undermine their credibility," the American representative in Geneva, Daniel Spiegel, said in an interview late Tuesday. "There doesn't need to be this type of acrimony between UN agencies."

The agency's report, which has not been made public or even given to other UN agencies, has dealt a severe blow to efforts to get the Rwandan refugees to return home. This has been a priority of the international community, worried about the destabilizing effect of more than a million refugees in Zaire, and more than a quarter of a million in Tanzania.

In a sharp reversal of policy, the agency is no longer encouraging refugees to return home. It will no longer even provide assistance for those who wish to return, agency officials said.

Repatriation efforts are further hampered because the United Nations has been slow in getting human rights monitors to Rwanda. One of the monitors' primary missions is to deter, by their presence, the kind of abuses that the refugee agency found.

The United Nations has said 147 monitors are needed in

Rwanda. Only 20 are currently in the country, and they have no vehicles of their own and no communications equipment. Of the \$10 million the United Nations has requested for the human rights program in Rwanda, only \$2 million has been pledged.

"Until human rights monitors are in the provinces, there won't be any massive repatriation," Mr. Spiegel said, expressing a widely held view.

He said that most of the delays were attributable to inexperience and the United Nations bureaucracy. As for UN officials, have pointed out, this is the first time the United Nations has ever mounted a human rights program like this.

Privately, UN officials say they doubt there will ever be 147 monitors in Rwanda.

A former Peace Corps volunteer in Rwanda has put together a list of more than 40 other former volunteers ready to act as monitors. Their applications are being considered by the United Nations Commissioner for Human Rights, and U.S. officials are frustrated that the process is taking so long.

Though officials at the human rights agency said the list of potential monitors was not being given to the Rwandan government for its approval, the government has vetoed at least two monitors, according to UN officials.

Publicly, UN officials are doing their best to keep the feud over the right agency report out of the public eye. "We are one house," the spokeswoman for the United Nations Commissioner for Human Rights, Thérèse Gastaut, said at a press briefing Tuesday. But in the corridors and when speaking on background, UN officials are bitter in their recriminations about the refugee agency.

Much of the criticism stems from concerns that in issuing a human rights report, the refugee agency was infringing on the mandate of other UN organizations. "There are turf questions, which are unfortunate," Mr. Spiegel said.

But he and refugee agency officials said the agency did not set out to do a human rights investigation. The investigation was indeed to focus on the mechanisms for repatriation.

## China Drops Threat To Boycott Games

By Kevin Murphy  
and Steven Brull  
International Herald Tribune

In an awkward compromise but one that allows China and Japan to retain long-held policies on Taiwan, Beijing on Tuesday canceled a visit by a senior leader to next week's Asian Games in Hiroshima.

China harshly criticized Japan for allowing the attendance of a leading Taiwan politician, but it did not carry out its threat to boycott the Games, held every four years to promote Asian "understanding and friendship."

The decision prevents serious damage to the uneasy relationship between China and Japan, one that is driven increasingly by economic interdependence.

Beijing's Foreign Ministry, citing "political trouble created by the Taiwan authorities and the Japanese government," said China had "no choice" but to cancel State Councillor Li Tieying's plans to travel to Hiroshima for the Games.

"The Chinese government hereby expresses its deep regret at that and lodges its protest with the Japanese government," a ministry spokesman told the Xinhua press agency in Beijing.

For their part, Japanese officials welcomed news that China's athletes would compete as planned, despite Tokyo's determination to allow Taiwan's vice prime minister, Hsu Li-teh, and a mission representing Taipei's bid to hold the 2002 Asian Games to visit Hiroshima.

"This is significant for holding the event in a cordial atmosphere," a Japanese government spokesman said.

sphere," a Japanese government spokesman, Kojo Igarashi, contended in Tokyo. The Games are expected to draw participants from 42 nations.

But after continued strong attacks from Beijing that included a tense exchange between Japanese and Chinese foreign ministers at the United Nations on Monday, some Japanese politicians expressed irritation with Beijing's tactics.

"We can't accept this complaint from mainland China," said Yuriko Koike, a member of Japan's House of Representatives and vice chairman of the Japan New Party.

The "two Chinas" problem, she added, "is a problem between China and Taiwan."

The dispute arose when China learned that Taiwan's president, Lee Teng-hui, had been invited to attend the Games by the Olympic Council of Asia.

Beijing, which views Taiwan as a renegade province, denounced the invitation — soon withdrawn — as a serious breach of protocol and a maneuver by an increasingly restive Taiwan to enhance its status at China's expense.

Japan and most major countries recognize the Beijing regime rather than its bitter rival in Taipei, but many have quietly stepped up unofficial relations with economically powerful Taiwan.

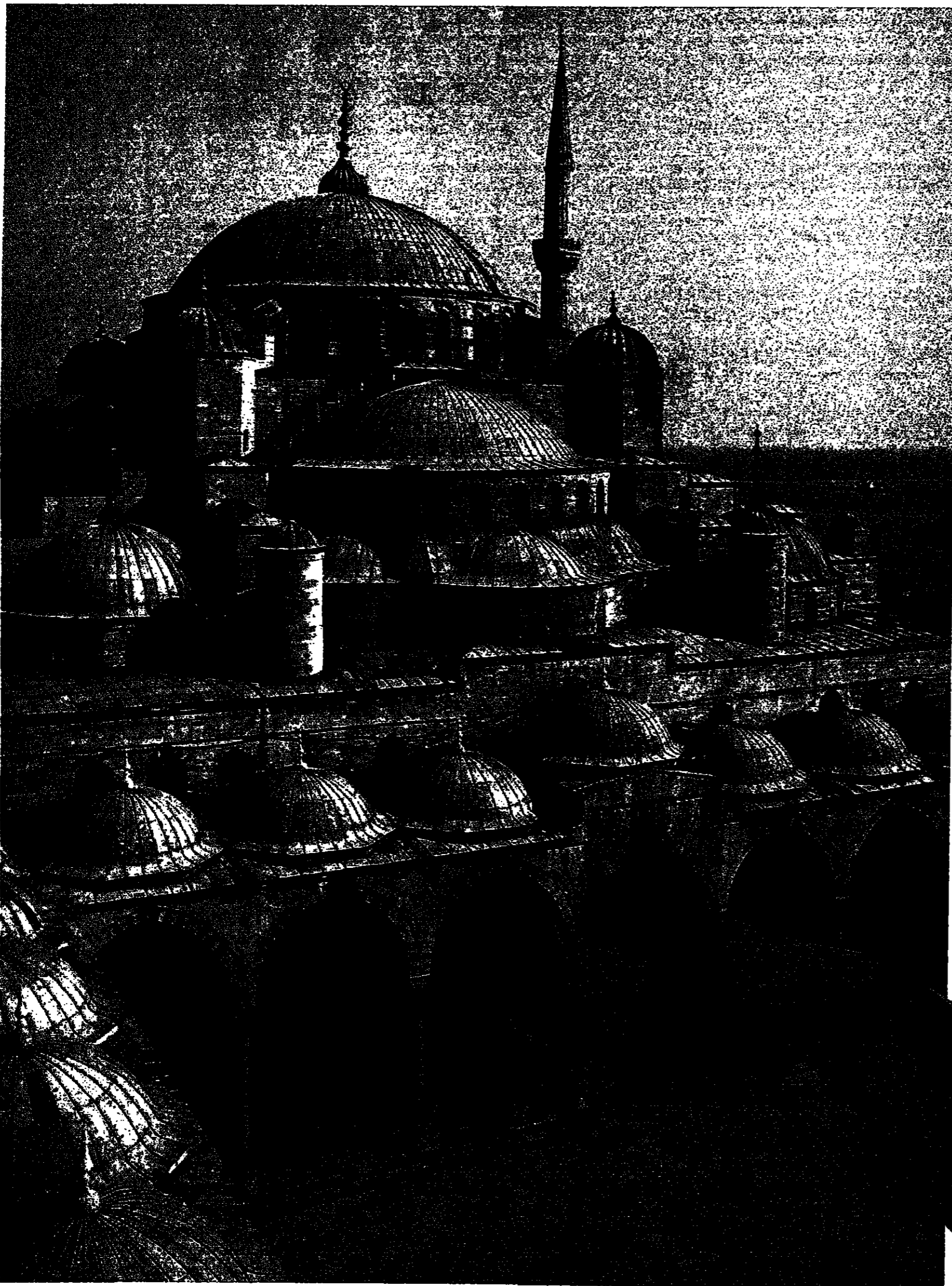
At the same time, in a response to powerful Taiwanese yearnings for a higher political profile than China will allow it in the international arena, Taiwan's ruling Nationalist Party has sought to use the country's economic clout to further its diplomatic aims.

In the past year, President Lee and other senior officials have embarked on unofficial but high-profile trips throughout Asia and have been welcomed by Indonesian, Philippine, Singaporean, Malaysian and Thai leaders despite Beijing's vocal displeasure.

Taiwan has also renewed its efforts to regain representation in the United Nations, lost in 1971 when it and most other international bodies began recognizing the People's Republic of China over the Republic of China, whose leaders fled to Taiwan in 1949.

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### Dissident's Wife Appeals to China

New York Times Service

BEIJING — The family of Chen Ziming, accused of having played a leading role in the 1989 demonstrations for democracy, appealed publicly Tuesday to "provide a humanitarian environment for medical treatment and convalescence" for the 43-year-old dissident.

Mr. Chen underwent surgery this month for testicular cancer after he was released in May on medical parole from a 13-year prison sentence at the request of President Bill Clinton and 54 U.S. senators.

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- replacement of the air-conditioning system;
- replacement of the interpretation facilities and installation of an electronic voting system;
- renovation of the original furniture (ground-floor area and galleries) and provision of additional furniture of similar type; and,
- replacement of the lighting, particularly for the galleries and the podium.

The renovation will cover a surface area of 2,177 m<sup>2</sup> (not including the technical offices).

The estimated timetable is as follows:

- preliminary study: from 01 March 1995 to 15 September 1995
- preparation of work site: from 10 July 1995 to 25 July 1995
- execution of works: from 10 July 1995 to 08 April 1996

Interested firms should submit a written expression of interest and with following reference:

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## At Fukuoka Festival, Sri Lanka Is the Star

By Donald Richie

FUKUOKA, Japan — Kyushu's largest city squarely faces Asia. It was here that prewar Chinese tourists landed to enjoy the hot springs of Beppu, where Thai Buddhists visited the famous Dazaifu temple complex, and where Indonesians came for trade with Batavia.

Fukuoka has long made much of this Asian connection and its annual film festival, now in its fourth year, shows only Asian pictures. Two years ago it was an important panorama of new Vietnamese films, the first to be let out of that country. Last year it was a beautiful handful of Mongolian pictures.

And this year it featured a seven-film program from one of the most interesting of Asian film cultures, Sri Lanka. Included were a number of recent films and three from the finest Sinhalese director, James Lester Peries. These included his first, the memorable 1956 picture, "Line of Destiny."

This film was for Sri Lanka what Satyajit Ray's "Pather Panchali" was for India. Peries took his camera to the villages of Ceylon and worked with the people he found there.

The result was a picture so honest and so devastating that a Ceylonese government minister decided it could not be shown outside the country since it showed an unhappy people. And it was Paul Bowles, then living in the country, who, having



A scene from Adoor Gopalakrishnan's "The Servile."

seen the picture, convinced the minister it was better to show the film than to create a scandal.

With this picture Peries' reputation was made and he has gone on to make more than 21 films. His latest was also shown at the Fukuoka Festival. Named "Where the Sun Sets," it is a mellow, Chekhovian study of the dissolution of a landed Sinhalese family. The honesty is still there.

The festival also gave the rest of Asia its first look at Laotian cinema with special screenings of Somok Southphon's 1988 "Red Lotus," a lyrical film about the "National Liberation Front" and how young lives were affected by it.

There was also a 1989 film from Burma, "Downstream" about an unappreciated

father and his ungrateful children. One might expect something this paternalistic from Burma but the style came as a surprise. Someone there has been watching American sitcoms.

More original was the new Vietnamese film, Dang Nhat Minh's excellent 1994 "The Return," a richly elliptical picture about a wife who leaves her newly capitalist husband. He cares only for making money and has even changed his name to Vincent so as to appear Western. This potentially melodramatic story is told with balanced delicacy by the director of "The Girl on the River," another extraordinary film.

Outstanding among all Asian films shown was the latest by Adoor Gopalakrishnan, "The Servile," a 1993 film about one man's succumbing to tyranny. Using the simplest of means, the director has created a parable about power with all of the ugliness honestly shown.

As usual, the 20 films were chosen by the festival's director-general, the Japanese critic Taduo Sato. He travels all over Asia, tries to look at everything, and then brings back the best to screen to the Fukuoka showcase.

City and prefecture foot the bill, directors, producers, stars of the films shown are invited, citizens flock to the pictures, and the tradition of Fukuoka squarely facing Asia flourishes.

Donald Richie is well known for his writings on Japanese film, which include "Ozu" and "The Films of Akira Kurosawa."

## 'Children's Hour': Plea for Tolerance



Clare Higgins and Harriet Walter in "The Children's Hour."

By Sheridan Morley  
International Herald Tribune

LONDON — The National Theatre's ongoing love affair with the Broadway past now reaches out to Lillian Hellman and "The Children's Hour," first seen on Broadway in 1934 but banned here since because it deals with the subject of lesbianism. It was a curious veto even by British theatrical censorship standards, since the whole point of a now somewhat creaky drama is that the accused schoolmistresses did not in fact live together, at least not in a sexual sense.

The play is not Hellman's best, but it takes its place in that long line of children's dramas running from "The Innocents" to "The Bad Seed." Only in the last, heartbreaking act does Hellman give us the truth about the teachers, which is that although they have never been lovers, one at least is prepared to die for their love.

Like much of Hellman, "The Children's Hour" is a play about the conflict between private morality and public acceptability, and in Howard Davies's rather slow production it elicits two immensely strong performances from Harriet Walter and Clare Higgins as the doomed teachers.

Even they, however, are outplayed, in the best supporting performance of this year, by Gillian Barge as the old dragon grandmother who organizes the whispering campaign against them and then comes to realize, just too late, that her grandchild's evidence is tainted.

This was Hellman's first play, and its construction is indeed more than a little clumsy and halting; yet in there somewhere is a fine if old-fashioned plea for tolerance.

We still don't get to see much Australian drama in London, though I'm not entirely convinced that "Two Weeks With the Queen" is going to make us as aware as we should be of the lack of it. Adapted by Mary Morris from Morris Gleitzman's best-seller, this has been running nearly three years in Sydney and has been brought to the National by Alan Ayckbourn, though rather surprisingly as an evening rather than a matinee event, since its target audience would seem to be teenage schoolchildren.

The story is of 12-year-old Colin from New South Wales. Told that his brother has inoperable cancer, he is sent to London and decides to visit the queen in the hope that

she can send him back with a good doctor. Predictably, he fails to make it to the palace, but along his eccentric journey he teams up with a man whose partner is dying of AIDS. Through their love for each other, and their courage, the boy comes to learn that death has to be faced and endured and that he must return to his dying brother.

This is part morality tale, part adventure, and Ayckbourn's highly stylized production makes all kinds of virtues out of necessity, turning a skimpily written and sketchily drawn play into a constant vaudeville of life and death, despair and hope. An agile cast doubles as all the adults and children involved, with Sean McKenzie admirable as the wretched cousin Alastair and Tamlyn Lloyd holding the whole fragile enterprise together as Colin.

At Hampstead, Brad Fraser's "Poor Super Man" is another of his highly episodic, almost filmic accounts of overlapping lives and loves in an unnamed Canadian city which the internal evidence suggests to be Edmonton. A successful painter stricken with artist's block goes to work in a restaurant run by a young married couple and tries to seduce the husband. Meanwhile there's an HIV-positive transvestite who wants a sex change, and a bitter female journalist and narrator. Not a lot would seem to be happening in Alberta, which is why (here as in Fraser's "Love and Human Remains") the internal lives of its residents are much more intriguing than what they actually do for a living.

Fraser and his director, Ian Brown of the Traverse in Edinburgh where the play was first seen during the recent festival, work in a remarkable kind of theatrical shorthand. Scenes and characters are briefly sketched in, then allowed to run concurrently through a sequence of soap-opera confrontations while a series of captions on stage behind them either highlight their current sexual and social dilemmas or else contrast what they are saying with what they are thinking. Sometimes the device becomes gimmicky, but more often than not it serves to fill gaps that would otherwise have needed long scenes of exposition or endless tracts of explanatory dialogue. Fraser's is one way of looking at the theater of the future. It will be freeze-dried, bit-sized and infinitely adjustable.

Sometimes the device becomes gimmicky, but more often than not it serves to fill gaps that would otherwise have needed long scenes of exposition or endless tracts of explanatory dialogue. Fraser's is one way of looking at the theater of the future. It will be freeze-dried, bit-sized and infinitely adjustable.

Ellen Greenblatt, a writer and teacher in San Francisco, wrote this for The Washington Post.

## In Paris, a First — Maybe Last — Concert

By David Stevens  
International Herald Tribune

PARIS — Myung-Whun Chung and the Paris Opéra orchestra came out of the pit and onto the stage of the Opéra Bastille for their first concert of the season, and presumably the last one Chung will conduct with the orchestra before his contract is terminated in mid-October.

In the event, it was both a substantial musical event and an emotionally charged one. Musically it was distinguished by the posthumous world premiere of Olivier Messiaen's "Concert à quatre," a work commissioned by the orchestra and dedicated to Chung and the four soloists — the flutist Catherine Cantin, a member of the orchestra; the oboist Heinz Holliger; the cellist Mstislav Rostropovich; and the pianist Yvonne Lor-

jod, the composer's widow, who completed the part of the orchestration left unfinished at Messiaen's death in 1992.

In the "Concert à quatre," Messiaen's characteristic bird calls are present in force — some 25 species are listed — but as Loriod says in the program, it is a "brilliant, tender and gay" work that makes ample use of the virtuosity of its soloists.

The ovations for Chung began before a note had been played Monday. The orchestra played as if possessed, and at times joined in the applause for its director of five years. Two movements of the Messiaen work were given as encores, as was one movement of the Saint-Saëns Symphony No. 3, the final work on the program — virtually unheard of events at an orchestral concert.

One leather-junged member of the audience bellowed, "Shame, to let such a conductor leave," and he was not the only

one, although definitely the loudest. The demonstration might have gone on indefinitely had not the conductor cut it short by taking the concertmaster by hand and leading the orchestra off the stage.

As before the premiere of "Simon Boccanegra" last week, a mimeographed tract was handed out to concertgoers, this time from orchestra members represented by the Force Ouvrière union. Passionate but unaggressive, it expressed the hope that the current season could be carried out with Chung as originally planned, and urged that there be a "time of reflection" that might lead to "a solution that would preserve the dignity of all concerned and the future of our institution."

On Tuesday, Deutsche Grammophon, the company for whom Chung has made a number of recordings with the Opéra's orchestra — most recently Verdi's "Otello" with Plácido Domingo in the title role — held a press conference that,

predictably, turned into another demonstration of support for Chung.

Chung, who seems to have accepted the legal realities of the situation, repeated his position that neither money nor power was his concern, but that he regretted the abrupt interruption of five years of work with the orchestra and its rejuvenation under his leadership.

Several orchestra members were present and spoke up in Chung's, and their own, behalf. René Bénédetti, a cellist and the Force Ouvrière representative, reiterated the sentiments expressed in the broadsheet handed out Monday evening.

Holliger, the oboe soloist who had refused to perform the Messiaen work under any other conductor on the ground that it was contrary to the composer's express wishes, said that the behavior of French cultural authorities was giving France "a very bad reputation" abroad.

If only for self-interest, the orchestra's apparent solidarity with Chung is easily understandable. It has had a good amount of recording work merely because Chung has insisted on making recordings for DG with his orchestra, and the recording now being made of the Messiaen "Concert à quatre" may well be the last.

The company's plans with Chung include some if not all of the Shostakovich symphonies with the Philadelphia Orchestra. Rossini's Stabat Mater with the Vienna Philharmonic, and Berlioz with the Philharmonia Orchestra of London. No mention of the Paris Opéra orchestra, with which Chung has recorded "Otello," Messiaen's "Turangalila Symphony" and a disk of Bizet works.

And there matters stand at the moment.

When Chung conducts the final performance of "Boccanegra" on Oct. 14, he will depart with his contractual severance amounting to a couple of years pay, reportedly a sum in the neighborhood of 9 million francs (\$1.7 million). Then it will be up to the new director, Hugues Gall, to write the next chapter in the Paris Opéra's turbulent history.

## SHORT CUTS

VAN MORRISON, "A Night in San Francisco" (2 CDs, Polygram): This has been on the market for a few months but it appears to have leaked through unremarked. Songs by Sonny Boy Williamson, T-Bone Walker, Doc Pomus and Van Morrison performed in concert with George Farnham (singing Lester Young's "Jumpin' With

Symphony Sid"), Candy Dulfer, John Lee Hooker, Jimmy Witherspoon and a very good band on not just any night at the Masonic Auditorium. As the packaging proclaims, "ballads, blues, soul, funk and jazz."

KENNY BARRON, "Wanted Spirit" (Verve/Gitanes Jazz): In trio with Charlie Haden and Roy Haynes, Barron

shows why he is the piano player of the day. He became visible as part of a musical upsurge, with Stan Getz when the tenorman leaped into rare atmosphere after he learned he was dying. He's been on a post-Tommy Flanagan roll ever since.

JOSHUA REDMAN, "MoodSwing" (WB): Charm and brains aside, Redman has the potential to be an innovator on a par with, say, Sonny Rollins. Going after both passive and active listeners here, he gets that much closer to realizing it. His fine rhythm section deserves credit: Brad Mehldau, piano, Christian McBride, bass, Brian Blade, drums. This may turn out to be an important record.

MIKE ZWERIN, IHT Joshua Redman



## BEST SELLERS

The New York Times  
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

Rank	Title	Author	Weeks on List
1	DEBT OF HONOR, by Tom Clancy	Tom Clancy	1
2	THE BODY FARM, by Patricia Cornwell	Patricia Cornwell	7
3	THE CELESTINE PROPHECY, by James Redfield	James Redfield	2
4	THE GIFT, by Danielle Steel	Danielle Steel	3
5	NOTHING LASTS FOREVER, by Sidney Sheldon	Sidney Sheldon	1
6	POLITICALLY CORRECT BEDTIME STORIES, by James Finn Garner	James Finn Garner	4
7	A SON OF THE CIRCUS, by John Irving	John Irving	8
8	THE BRIDGES OF MADISON COUNTY, by Robert James Waller	Robert James Waller	6
9	THE CHAMBER, by John Grisham	John Grisham	5
10	DISNEY'S THE LION KING, adapted by Don Freeman	Don Freeman	10
11	UNTIL YOU, by Judith McSwain	Judith McSwain	9
12	MUTINY MESSAGE DOWN UNDER, by Mario Morgan	Mario Morgan	11
13	THE ALIENIST, by Carl Hiaasen	Carl Hiaasen	14
14	HALF ASLEEP IN FROG PAJAMAS, by Tom Robbins	Tom Robbins	16
15	BROTHERS AND SISTERS, by Bebe Moore Campbell	Bebe Moore Campbell	1

NONFICTION  
1 COUPLEHOOD, by Paul Reiser

ADVICE, HOW-TO AND MISCELLANEOUS

1	MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray	1
2	IN THE KITCHEN WITH ROSE, by Rosie Daley	2
3	MAGIC EYE II, N.E. Thing Enterprises	3
4	MAGIC EYE, N.E. Thing Enterprises	3

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## A Special Report

## Uganda

## On Road to Democracy, but Obstacles Remain

By Jon Liden

**K**AMPALA, Uganda — Determined to avoid a return to the reign of terror that destroyed the country between 1971 and 1986, Uganda is working hard to build a democracy. But the Ugandans have discovered that in a country of largely illiterate poor farmers, where most people with education have either been killed, exiled or were part of the terror, ensuring that power stays with the people means more than putting democratic institutions in place.

Uganda has been run by Yoweri Museveni's National Resistance Movement since General Museveni and his guerrillas won a military victory over the regime inherited by Tito Okello from Milton Obote in 1986. When it took power, the NRM gave itself a five-year term to establish law and order before handing over power to a democratically elected government. In 1990, the NRM argued that the country was not yet ready for a multiparty democracy, and secured a five-year extension of its rule through a referendum.

In March, Ugandans voted for a constitutional assembly in elections that were accepted by independent foreign observers as free and fair. General Museveni has maintained a ban on political parties, however, so the candidates ran on individual tickets. (The government chose to ignore that the country's three former par-

ties organized candidates unofficially.) To prove the inclusionist nature of the NRM, two of the ministers in the current cabinet are also leaders of their officially defunct parties.

Parliamentary elections are scheduled for early next year, when a new constitution will be ready.

Yet the ban on political parties may be extended for another five years, or the question of parties may be left out of the new constitution altogether, if General Museveni gets his way. This worries several Western countries as well as representatives of the former political parties, who fear that the National Resistance Movement's hold on power will cement one-party rule.

"Sub-Saharan Africa is still pre-industrial. This is a society before class society. It is a society of peasants. So for some people to think that we can manage in exactly the same way as the industrial societies is totally irresponsible," the president said in an interview. "The countries in the West have gone through the phenomenon of class evolution and this has formed a social basis (for political parties). I think it is criminal for these countries to insist, ignorantly or arrogantly, that the whole world should be managed in the same way. What we should talk about is the fact that each individual must have a say in how he is governed."

No one, save some representatives of Milton Obote's old party, Uganda People's Con-

gress, would doubt General Museveni's sincerity in his search for a system that gives ordinary people the power to elect and dismiss governments through their votes. Few would even disagree that political parties are an imperfect foundation for democracy in countries with strong ethnic and religious divisions. The question is whether any alternative exists.

Although their leaders deny it, it is generally perceived that the three old parties in Uganda — the Democratic Party, the Conservative Party and the UPC — follow ethnic lines.

"At the moment, there is no class identity, no economic or political interests that can tie people together across ethnic lines," said Wafu Ogunu, chief editor of The Monitor, Uganda's main independent newspaper. "Museveni is not only building a democracy, he is building a state. He is obsessed with creating a middle class that can carry the economy and become a stabilizing force politically."

That, foreign diplomats agree, will take considerably longer than the five-year extension of its ruling mandate the NRM is likely to get from the constitutional assembly. Although the NRM receives support from a majority of the constitutional assembly members, representatives loyal to the three political parties hold between 100 and 130 of the 284 seats, and any failure to provide a timetable for reintroduction of parties could lead to

a walk-out by this significant minority.

Still, both Ugandans and foreigners are optimistic about the country's political future. They believe that what lacks in political fundamentals are compensated for by economic progress. "Economic development is a major stabilizing element," said a western diplomat. "As the pie expands, there will be less competition for a part of it."

The confidence in the country's future is clear in and around Uganda's major towns, where new houses, factories and workshops are sprouting. "We are soon reaching the point where army officers, bureaucrats and politicians will have too much to lose from creating instability that could descend into violence," said Mr. Ogutu. "Even corruption money is spent on houses in Uganda these days, rather than sent to accounts in Switzerland. Now, that is progress."

Many observers are also encouraged by the educational effect of the recent elections and the work of the constitutional assembly. "Even the UPC leader Cecilia Ogwal has become more moderate in her statements and actions," said a western diplomat. "Politicians are discovering that debate and voting seriously works."

The most serious threat to Uganda's future stability is its near total dependency on the authority of one man. General Museveni, who is not yet 50, makes all major decisions and quite a number of trivial ones.

Dozens of interviews with foreign observers and Ugandans, from business executives to the unemployed, failed to produce a harsh word about the president. Even ordinarily sober diplomats and aid officials bring out the superlatives in their description of General Museveni's energy and vision for his country and Africa.

However, his apparent inability to build up personalities who could take over after him and to delegate responsibility to his cabinet worries these observers. If General Museveni sticks to his promise of retiring from politics in 1999, the NRM could unravel and leave

a dangerous power vacuum, analysts warn.

They predict that only by transforming the NRM from a movement to a political party that can compete in elections can General Museveni retain stability without compromising democracy.

The president vehemently disagrees. "It is the individuals who should govern themselves, not gangs or groups or whatever you call them," he said. "Let us go back to the individual and see how he wants to be governed. That is what democracy is all about."

JON LIDEN, a journalist based in Hong Kong, frequently writes about developing nations.



General Yoweri Museveni, the president, inset; Kampala's modern skyline.

"The mistake in Africa was to give too much power to the bureaucrats. What we are doing is to give the power over their own affairs back to those who produce the wealth."

## Economic Medicine With Asian Flavor

**K**AMPALA, Uganda — Asked whether he was trying to apply the economic model that has brought rapid growth to countries such as Thailand and Malaysia to Uganda, Yoweri Museveni demurs.

"I don't know very well the Asian model. I never bothered to study it very closely," the president said in an interview. "What I can tell you is our own analysis. There are three groups of people in our society: There are those who produce wealth. Then there are those who record wealth, and those who just spend the wealth of other people's production. The mistake in Africa was to give too much power to the recorders, the bureaucrats. This can lead to great distortions. What we are doing is to give (the power over their own affairs) back to those who produce the wealth."

For all his professed ignorance of Asian conditions, General Museveni is administering to Uganda an economic medicine similar to the one that has brought high growth to Southeast Asia and is hauling Vietnam and China through the painful transition from communism to a market economy. By reining in the money supply,

cutting subsidies, limiting government spending, recognizing the private sector as the engine of the economy and encouraging foreign investment, the president has jolted Uganda into a reform process only equaled in Africa by Ghana.

The country's GDP has grown an average of 5.5 percent over the last seven years with industry growing an average 14 percent annually. Inflation was brought down from 66 percent in 1992 to nil by the end of 1993, when a drought caused prices to rise again by 12 to 14 percent. The shilling, having been made fully convertible, has stabilized at around 1,000 per dollar, and has even appreciated enough over the last few months so that exporters are getting worried.

The government increased revenue collection by a third in the last financial year and reduced spending slightly, which made for a reduction in the budget deficit to 9.7 percent of GDP when foreign aid was excluded.

More tangible proof of a revived economy can be seen in Kampala, where new buildings are going up and old factories are putting glass in their windows and painting their walls. Shops are opening and the

range of products available is increasing.

For a country whose per capita GDP shrank by about 2.4 percent a year between 1965 and 1990, the signs of progress have created an optimism among people in the cities that has taken on a self-fulfilling effect.

"There are hundreds of opportunities now," beamed Frank Naggenda, a Ugandan businessman who returned from exile in Sweden to set up a trading operation two years ago. "This place can only become better."

Uganda has established a secretariat to administer the sales of most major nationalized industries. According to the minister of works, transport and communications, Ruhakana Rugunda, the government is planning to sell off its telecommunications interests before the end of next year.

But economists and aid officials say the reforms still have a ways to go.

"The World Bank is not saying Uganda is a success," cautioned Brian Falconer, the bank's representative in Kampala. "The country is moving down a path of reform and is showing good results in a short period of time. But unless the poverty issue is addressed, there will be no success."

Nearly 90 percent of Ugandans live in rural areas, and, so far, the reforms have made most people in the countryside poorer. Unless this changes over the next few years, the country's momentum may falter and it could start sliding backwards, Mr. Falconer and other aid officials warn.

As an agricultural country, Uganda is vulnerable to swings in commodity prices and the weather. Although rich in hydroelectric power potential, Uganda is landlocked and transportation costs are high, preventing it from becoming an industrial exporter of any size. Its hope lies in developing high-revenue cash crops and increasing its ability to process the country's agricultural and mineral resources. Tourism is also expected to become a major revenue-earner.

With most of its middle class either killed or driven into exile and the education system only beginning to recover after years of neglect, the human resource base is small. Executives complain that finding good mid-level staff is hard.

The AIDS epidemic is further weakening the country's

ability to rebuild. Nearly 10 percent of Uganda's 18 million citizens are HIV positive, and an estimated 880,000 people will have died of AIDS by 1998.

In the northwestern part of the country, a ragging band of rebels has killed a number of people and has gotten hold of land mines, preventing aid officials from going there. The result is that large areas of the poorest part of the country are not receiving the aid they greatly need.

But donors, hard-pressed for success stories from Africa, are nonetheless backing Uganda. At a conference in July, the country asked for \$515 million in aid and received pledges of \$820 million from 23 different donors. Donors applauded the government's success in cutting the number of government agencies from 38 to 21 and reducing the number of civil servants from 320,000 to 170,000, as well as being on track in its demobilization program which will have reduced the armed forces by 50,000 next year.

Though it is welcome relief in building of the economy, the aid should worry the government in the long run. Foreign aid amounts to around 60 percent of the 1994-95 budget revenue, causing widespread worry among Ugandans that the country is in practice being run by the World Bank, the IMF and donor nations.

There are also complaints against the fairly brutal monetary policy the World Bank and the IMF are seen to impose.

With interest rates of around 20 percent and a national savings rate of 5 percent of GDP, investors have problems financing their projects.

Currently, General Museveni spends much of his energy convincing foreigners that Uganda is the right place for their money. Over the last few months, he has traveled to the United States, Scandinavia, Japan and India, promoting investment. With disasters such as Rwanda, Somalia and Angola dominating news about Africa, it takes some time to win over industrialists, admitted the chairman of the Uganda Investment Authority, A.B. Abaliwano, but he is convinced that foreign investors will realize the potential of Uganda. He cites the country's agriculture, power reserves and good climate. Jon Liden



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**MASAKA BRANCH**  
Plot 1, Edward Av.  
Tel: 21200  
Masaka

**MBARARA AGENCY**  
Pearl House  
Plot 80, High Street  
Mbarara

**MBALE AGENCY OFFICE**  
BCU Building  
Plot 1-3 Manafwa Rd  
Mbalale

**JINJA BRANCH**  
Plot 30, Main St.  
Jinja

# Uganda

A Special Report

## Efforts to Put the Nation on Tourist Map War and AIDS Touch a Million Children

By Jon Lidén

**J**INJA, Uganda — For the world's longest river, one would expect something slightly more imposing. But the sign announcing the source of the Nile an hour's drive from Kampala, is tiny and in need of some new paint. A small lane leads to a point where one can see the water of Lake Victoria being forged into a river by intensely green and luxuriant hills.

There used to be a plaque here, commemorating John H. Speke's discovery of the source of the Nile in 1862. Recently, the text was replaced with the simple comment: "At this point the Nile starts its 5,584 kilometer long journey toward the Mediterranean Sea."

Such sobriety sums up Uganda's tourism industry. There are no champagne lunches in the game reserves, nor are there tree-top hotels where you can enjoy elephant-watching with your breakfast eggs, but travel agents claim that you may experience something that is becoming increasingly rare in other African tourist destinations: real, untamed African nature.

"We can never compete with Kenya in the sheer numbers of animals you can see," said Mirjam Blask, director of the travel agency Delmira, which represents Thomas Cook in Uganda. "What Uganda has is this vast, wild beauty you don't see in Kenya anymore. There are enormous

areas of untouched savannahs, rain forests and mountains, and when you go on a safari, you really feel you are out in the wilderness."

With nine national parks, including two mountain gorilla parks and Africa's third and fourth highest mountains, as well as a highland climate that ensures temperatures between 20 and 28 degrees Centigrade year-round, Uganda has the potential to attract several times the 80,000 tourists who visited last year, industry officials say.

But Uganda's tourism industry is just starting up after years of war and neglect that left hotels and lodges in ruins and almost wiped out wildlife in the country's main national parks. Wildlife experts say that vegetation-eating animals such as gazelles, antelopes and zebras have been flocking into the empty parks, which are rich in fodder due to years of underpopulation, and that predators are following on their heels.

Services have been reestablished in most of the country's national parks, but they are rudimentary. Despite this, safaris in Uganda are relatively expensive, mainly because of high maintenance and fuel costs for vehicles on the bad roads.

Uganda only established a tourism board to promote the country abroad and to coordinate the development of new facilities in September of this year.

Until recently, the marketing of Uganda

has been mostly based on individual efforts by travel agents. Now, the new tourism board, together with the largest tour operators and travel agents operating in Uganda, is planning a marketing offensive. They have taken stands at major tourism fairs in Britain, Germany, Sweden and the Netherlands. The Belgian airline Sabena recently increased its number of flights to Uganda to six weekly, and will run a marketing campaign for Ugandan tourism.

Still, putting Uganda on the map as a major tourist attraction will take more than marketing. There is the issue of staff, for one. Most of the original hotel staff are old or dead, and the new staff has little knowledge of service or how to run a restaurant or a hotel.

Then there are the hotels and lodges themselves. The government is currently selling off hotels that were nationalized under Idi Amin's rule, as well as awarding concessions for building and running facilities in the country's national parks. The process has not been without problems, however, and safari operators complain that the new hotel owners and concession holders are unwilling to commit capital for renovation and expansion.

"It is a Catch-22 situation, really," said Ms. Blask. "They don't want to invest before they see tourism figures going up, and we can't get more tourists before the facilities improve."

**K**AMPALA, Uganda — There were around 100 children in the building and the courtyard behind it. Some smiled and shouted and clung to a visitor as if holding a hand was as precious as getting a good meal, but most just sat or stood around silently, ignoring everything and everyone around them.

The old woman who ran the orphanage told terrible tales of how children had watched parents being hacked or burned to death in their huts. She begged the visitor to help find a charity to bring supplies to the orphanage.

That was in 1986, when Uganda was still in shock after a three-year civil war that had cost an estimated 400,000 lives and left the country in ruins. The legacy of that war is that Uganda has more orphans than any other country, relative to the population. Now, AIDS has taken over where the war left off. Unicef has estimated that 1.2 million of Uganda's eight million children have lost at least one parent to AIDS or war.

Nearly half a million people are expected to die from AIDS over the next four

years, leaving 400,000 more children partly or completely orphaned.

Despite these figures, Uganda is far from a disaster area. The decrepit orphanage this writer visited in 1986 is gone, as are most others. "Only 2,000 children live in orphanages, and another 3,000 or so live on the streets," says Charles Nabongo, a project officer at Unicef in Kampala. "The rest have been absorbed by the extended family system."

To some extent, Uganda can serve as an example of successful rehabilitation for other traumatized countries in Africa. "To see a western diplomat in Kampala, 'To see the country today, knowing what a human and physical ruin it was eight years ago, one gets very impressed.'"

Traditionally, members of most of Uganda's ethnic groups did not make a distinction between their own children and those of their siblings — a trait that has greatly helped orphans. Aid workers warn, however, that the increasing poverty in the countryside and the depletion of human resources by AIDS deaths are putting more pressure on families.

"When you can only send one or two of

your children to school, or you cannot afford medicine for all, it is inevitable that your biological children get first priority," said Josephine Harmsworth Andama, an anthropologist who has lived and worked in Uganda since the 1950s. Ms. Harmsworth has herself brought up several orphans, in addition to her own children, after her husband was killed in 1979. She has done extensive work on the effects of war on women and children in Uganda.

Compensating for this effect is difficult. "When orphans are absorbed by extended families, there is a danger of them becoming 'invisible' and very hard to reach with assistance," says Mr. Nabongo.

This has been experienced by Redd Barna, an organization that runs a program for AIDS orphans in southwestern Uganda. "When we announced that we would assist orphans, we produced a lot of new 'orphans' in the villages," said Andreas Fuglesang, Redd Barna's representative in Uganda. "Of course everyone wanted assistance, and unless we addressed the whole community, we did not get very far."

Jon Lidén

## Ugandan Asians Slowly Begin to Return

**K**AMPALA, Uganda — Asians, who once dominated Uganda's economy, are slowly returning to the country that expelled them 22 years ago. Most come to reclaim property, but a growing number of Asians are so encouraged by Uganda's recent years of stability and economic progress that they are willing to risk new investments.

So far, an estimated 5,000 out of the original Asian community of 70,000 have returned. "Most of the families here are 'representation families' for large, extended families, sent to check out the situation," said Mumtaz Kassam, a lawyer who assists Asians in their property claims. Whether the majority of Asians will eventually return to Uganda will depend much on the reports these advance teams send back.

"The bad state of the infrastructure has repelled many Asians," said Ms. Kassam. Many are also discouraged by seeing the rundown condition of their property. "A lot of the property the Asians left was plantations and factories which have now returned to the jungle."

When the Asian Ugandans left, Idi Amin distributed the spoils between his followers, but in 1982, the Asians' property was confiscated by the state and set under administration of a custodian board. Realizing that damage was done to Uganda as well as to those expelled, who accounted for more than 80 percent of the country's trade and industry, the government passed a law to return the confiscated property to Asians who would resettle here.

Little happened until 1990, however, when four years of Museveni rule had convinced many Ugandan Asians that more violence was unlikely.

Although some Asians come back to sell their property, a growing number are setting up business ventures in Uganda.

"I believe Asians are still very cautious," said Chris Martin, managing director of Barclays Bank of Uganda. "Yet, if this country is going to rebuild itself, Asians have to play a leading part. So many of the country's own intellectuals and middle class were wiped out by Amin."

Still, a return to an Asian-dominated

economy would most likely rekindle resentments that lie buried among many Africans, who feel that Asians discriminate against them in business — or exclude them — and grow rich on the labor of African workers.

To prevent resentment, the law has now been changed so that only former Ugandan citizens, regardless of ethnic background, can reclaim property.

"We are not giving Asians any special rights. We are treating everybody equally," President Museveni told journalists during a recent visit to India.

Ms. Kassam, herself an Asian who was born and raised in Uganda, is aware of the problem. She returned for visits in 1986 and later moved here to set up a legal consultancy with an African-Ugandan partner.

"The segregation is in large part a result of the old colonial system," she says. "Now a lot of companies are formed as joint ventures between Asians and African-Ugandans. They have the contacts and we have the expertise. We need each other."

Jon Lidén

## The New Uganda: A COUNTRY ON THE MOVE



Hon. J.S. MUYANJA-NKANGI, Minister of Finance & Economic Planning

A new Uganda is taking a lead in economic reform in Africa. The economy is stable and growing, and welcomes investors.

Economic growth has averaged over five percent for the last seven years, inflation is low and stable, and the fully convertible Uganda shilling is developing into a stable, strong international currency. The Government has successfully sustained a strong commitment to economic stability.

The mainstay of sustained growth is peace coupled with continued refreshing policy reform. The Government has set a brisk pace of far-reaching economic reform, most notably of the trade and payments regime.

Uganda is unique in being the first country in sub-Saharan Africa to have fully liberalized international trade and payments, with simple import and export procedures, a highly favourable business environment with generous investment incentives and rapidly improving infrastructure.

Uganda is a full member of the 'Multilateral Investment Guarantee Agency' and is committed to ensuring security of physical and intellectual property rights and of investment.

Uganda has a remarkable raw material base which offers myriad opportunities for investment. Uganda is rich in minerals and enjoys fertile soil and an excellent climate.

Agro-based industries are growing fast, while traditional exports of coffee, cotton, tobacco and tea continue to show better quality and increased output. To these have been added exports of cereals, oil seeds, fresh fruit and vegetables, flowers, silk and livestock and fish products.

The mineral sector is growing. New business opportunities have also been identified in textiles, leather goods, pharmaceuticals, steel and engineering. The construction sector is poised to continue a seven-year boom, and the rehabilitation of infrastructure and utilities continues apace.

There has been a remarkable growth in tourism and related services, as more people come to enjoy the beauty and natural wonders, such as the mountain gorillas, of the 'pearl of Africa'.


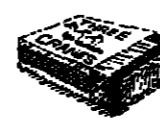

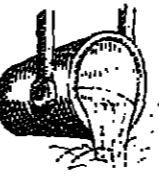













Investors are assisted at every step to maximise the ease with which projects get up and running. The Uganda Investment Authority was established with the purpose of providing this assistance. The UIA is a 'one-stop-shop' for investors, and is responsible for investment promotion and facilitation. The UIA provides a personal service to investors seeking information and advice on project development, implementation or expansion. The UIA is business-oriented, equipped to handle investors' requirements swiftly and professionally. The UIA has highly experienced and well qualified professional staff to provide first-hand information on investment opportunities, to help develop project ideas, to assist in implementing proposals and to provide after-care support services to investors.

The UIA is authorized to issue investment licences and certificates of incentives. The UIA will help the investor secure secondary licences and work permits. In addition, the UIA will arrange contacts for joint ventures and provide advice on the acquisition of industrial land and the employment of local staff. The UIA will ensure protection of intellectual property and proprietary technology when technology transfer is involved.

Uganda offers generous incentives. A tax holiday of between three and six years is offered to all investors in proportion to their investments. Duty-free exemptions are granted on approved project-related capital goods; there are 'first arrival privileges' for expatriate staff; there is full freedom to remit dividends, interest and loan repayments. The market in foreign exchange allows investors to transact their business in any one of many currencies at market exchange rates.

Uganda has a growing population of 17 million, centrally located in the wider East and Southern African market. Uganda is a member of the Common Market of Eastern and Southern Africa (COMESA), which consists of 22 countries with a potential market of 270 million people.

Uganda is moving into new and vigorous development. Uganda enjoys a stable economy, with the Government sustaining a commitment to consistent macroeconomic stability. With a rapidly growing economy and increasing investment opportunities, Uganda extends a warm welcome to investors.

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The Madhvani group is an innovative and environmentally concerned Group of Companies. Last year the Group's turnover was US \$500 million. We own assets worth more than US \$200 million in Uganda and employ more than 15,000 people. The Group contributes approximately 8% of Uganda's GDP, making us one of the largest and most stable private organisations in East Africa.



**MADHVANI GROUP**

For more detailed information on our products, imports and investment opportunities write to: The Managing Director, The Madhvani Group, P.O. Box 762, Jinja Uganda.  
Tel.: (043) 20177/20178 Fax: (043) 20179.

**Tuesday's Closing**  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

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The first part of the paper discusses the importance of maintaining accurate records of all transactions, both personal and business. It emphasizes that good record-keeping is essential for financial planning and decision-making. The author provides several examples of how businesses can benefit from detailed record-keeping, such as tracking expenses for tax deductions and monitoring cash flow.

In the second section, the author explores various methods for organizing and storing financial records. This includes advice on choosing between physical filing systems and digital databases, as well as tips for ensuring the security and accessibility of the information. The importance of regular backups and secure storage solutions is highlighted.

The third part of the document focuses on the legal aspects of record-keeping. It outlines the requirements for different types of records, such as contracts, invoices, and receipts, and discusses the potential consequences of failing to maintain adequate documentation. The author also touches upon the role of professional accountants or auditors in verifying the accuracy of financial records.

Finally, the conclusion reiterates the overall significance of diligent record-keeping for long-term financial success. It encourages readers to adopt a systematic approach to managing their finances and to seek professional guidance when needed.

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Self-winding movement: 36000 vibrations p...  
In 18 ct gold or steel. Water-resistant to 30...  
sharkskin strap. 5 year inter...

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MILANO SWITZERLAND: SCHMIDLER, ZER...  
UNITED KINGDOM: KAPSON & WEBB, LON...  
SPAIN: ALDRE, MADRID • UNION SUIZA, SARGEL...  
KUWAIT: AHMED AL QATARI, SAFAT QATAR:  
JAPAN: NINON SEIER HESNER, TOKYO

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onal limited guarantee.

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ABU DHABI, DUBAI: MANSOUR, JEWELERS  
TRADE, DOHA HONG KONG: SINCOP  
AL TRABERT & HOEFFER, CHICAGO

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1. The first part of the document is a list of names and their corresponding addresses. The names are listed in the first column, and the addresses are listed in the second column. The names are: John A. Smith, John B. Smith, John C. Smith, John D. Smith, John E. Smith, John F. Smith, John G. Smith, John H. Smith, John I. Smith, John J. Smith, John K. Smith, John L. Smith, John M. Smith, John N. Smith, John O. Smith, John P. Smith, John Q. Smith, John R. Smith, John S. Smith, John T. Smith, John U. Smith, John V. Smith, John W. Smith, John X. Smith, John Y. Smith, John Z. Smith. The addresses are: 123 Main St., 456 Main St., 789 Main St., 101 Main St., 202 Main St., 303 Main St., 404 Main St., 505 Main St., 606 Main St., 707 Main St., 808 Main St., 909 Main St., 1010 Main St., 1111 Main St., 1212 Main St., 1313 Main St., 1414 Main St., 1515 Main St., 1616 Main St., 1717 Main St., 1818 Main St., 1919 Main St., 2020 Main St., 2121 Main St., 2222 Main St., 2323 Main St., 2424 Main St., 2525 Main St., 2626 Main St., 2727 Main St., 2828 Main St., 2929 Main St., 3030 Main St., 3131 Main St., 3232 Main St., 3333 Main St., 3434 Main St., 3535 Main St., 3636 Main St., 3737 Main St., 3838 Main St., 3939 Main St., 4040 Main St., 4141 Main St., 4242 Main St., 4343 Main St., 4444 Main St., 4545 Main St., 4646 Main St., 4747 Main St., 4848 Main St., 4949 Main St., 5050 Main St., 5151 Main St., 5252 Main St., 5353 Main St., 5454 Main St., 5555 Main St., 5656 Main St., 5757 Main St., 5858 Main St., 5959 Main St., 6060 Main St., 6161 Main St., 6262 Main St., 6363 Main St., 6464 Main St., 6565 Main St., 6666 Main St., 6767 Main St., 6868 Main St., 6969 Main St., 7070 Main St., 7171 Main St., 7272 Main St., 7373 Main St., 7474 Main St., 7575 Main St., 7676 Main St., 7777 Main St., 7878 Main St., 7979 Main St., 8080 Main St., 8181 Main St., 8282 Main St., 8383 Main St., 8484 Main St., 8585 Main St., 8686 Main St., 8787 Main St., 8888 Main St., 8989 Main St., 9090 Main St., 9191 Main St., 9292 Main St., 9393 Main St., 9494 Main St., 9595 Main St., 9696 Main St., 9797 Main St., 9898 Main St., 9999 Main St.

一、關於我國經濟建設之方針。我國經濟建設之方針，應以發展生產力為第一要義。在生產力發展之基礎上，應以改善民生為第一要義。在改善民生之基礎上，應以鞏固國防為第一要義。在鞏固國防之基礎上，應以實現民族獨立為第一要義。在實現民族獨立之基礎上，應以建立社會主義為第一要義。在建立社會主義之基礎上，應以實現共產主義為第一要義。

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*[The page contains dense, illegible handwritten text in a cursive script.]*

*[The page contains dense handwritten text in Devanagari script, organized into several horizontal sections separated by thin lines. The handwriting is cursive and typical of early 20th-century Indian manuscripts.]*

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Time

**CHRONOGRAPH**

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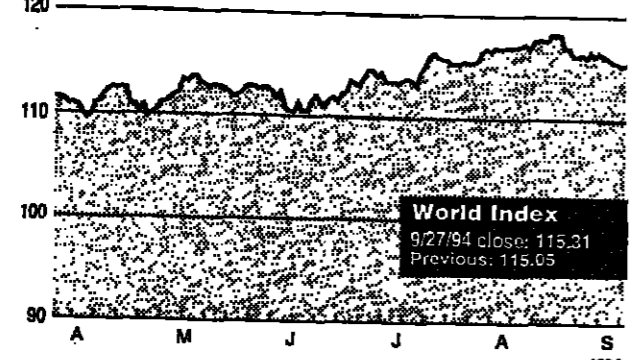
FRANCE: ARFAN, PARIS • LEON, PARIS GERMANY: BLOME, DÖSSELDORF ITALY: VERGA VALERIO, MILANO  
SWITZERLAND: SCHMIDLER, ZÜRICH; ZERMATT, LICHTENSTEIN; HUBER, VADUZ  
UNITED KINGDOM: MAPPIN & WEBB, LONDON BELGIUM: DE GREER BRUXELLES  
SPAIN: ALBADE, MADRID UNITED STATES: SARAZ, BARCELONA ABU DHABI, DUBAI: MANSOURI, LUXEMBURG  
KUWAIT: SARAZ AL OATAMI, SARAF QATAR: NEW TRADE, DOHA HONG KONG: SINGCOOP  
JAPAN: NINON S'BER, HEGNER, TOKYO USA: TRAUBT & HOFFER, CHICAGO

**Continued on Page 16**

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**THE TRIB INDEX: 115.31**  
International Herald Tribune World Stock Index, composed of 260 internationally investible stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



**World Index**  
9/27/94 close: 115.31  
Previous: 115.05

**Asia/Pacific**  
Approx. weighting: 32%  
Close: 128.22 Prev.: 128.15

**Europe**  
Approx. weighting: 37%  
Close: 115.22 Prev.: 114.37

**North America**  
Approx. weighting: 26%  
Close: 95.95 Prev.: 95.40

**Latin America**  
Approx. weighting: 5%  
Close: 149.83 Prev.: 149.81

**World Index**  
The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other major financial centers. It is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.

Industrial Sectors	Tot. close	Prev. close	% change
Energy	112.17	111.69	+0.43
Utilities	128.68	128.45	-0.59
Finance	114.81	115.11	-0.26
Services	120.99	120.38	+0.51
Capital Goods	117.03	116.96	+0.06
Raw Materials	134.30	134.22	+0.06
Consumer Goods	103.78	103.00	+0.76
Miscellaneous	135.03	133.98	+0.78

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

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## Lyonnais Pays for Loan Risk

Loss for Half Hits 4.5 Billion Francs

Compiled by Our Staff From Dispatches

PARIS — Crédit Lyonnais said Tuesday its losses grew in the first half of 1994, but it failed to unveil an expected government rescue package.

The first-half loss grew to 4.5 billion French francs (\$850 million), because of 8.9 billion francs set aside for risky loans.

The state-controlled lender, the largest European bank, delayed the planned issuance of its results last week because of the large provisions. A source at Crédit Lyonnais said there was a dispute between it and the state about French aid for the bank.

Net provisions totaled 8.9 billion francs, up 26.5 percent from a year earlier, when the bank set aside 7.03 billion.

The provisions announced on Tuesday included 4.8 billion for covering risks involved in "exceptional situations," which include the Alus Finance unit and Société de Banque Occidentale.

Earlier this year, Crédit Lyonnais agreed with the government to move 43 billion francs of problem loans into a new company created for that purpose.

But for the first half of 1994, the bank's auditors demanded new provisions.

The loss in the first half of last year was 1.05 billion francs.

The bank said first-half revenue was down 9.1 percent without providing figures, while gross operating profit was 5 billion francs, down 27 percent.

Despite the poor result, Crédit Lyonnais said it expected its 1994 loss to be lower than the record 6.9 billion francs in 1993. "These results could appear bad on the face of it, but for the first time since I came here I believe we're seeing the light at the end of the tunnel, which is the first sign of hope," said Jean Peyrelevade, the chairman.

(AFP, Bloomberg, Reuters, AFX)

## Better Ford Ideas Get Jaguar Racing Back to the Black

By Warren Brown

Washington Post Service

Rumors of profit have replaced rumors of demise at Jaguar Cars Inc., the British luxury automaker, that was built in its day.

"We had a plant that was old and second-rate, even compared to the plants that were built in its day," he said. "We had virtually had no quality controls. We were inefficient and costly. The Ford money was essential."

But "as important as the money was," Mr. Dale said, "as important as the money was, the most important thing we got from Ford was brainpower."

Michael H. Dale, president of Jaguar Cars North America.

"The most important thing we got from Ford was brainpower," he said. "We got from Ford a lot of ideas, a lot of product development ideas, a lot of marketing ideas."

Before Ford's takeover, Jaguar had to sell 60,000 cars worldwide to break even. The last time the company even came close to that mark was in 1986.

In recent years, failing to make the break-even point has meant a loss of \$1 million every business day.

That "sometimes meant you weren't looking forward to going to work," Mr. Dale said.

But with Ford's assistance, Jaguar has managed to cut its break-even point in half, to 30,000 cars worldwide. "We think we can do that next year," Mr. Dale said.

Without Ford's investment, and without the new designs, "We would have been bankrupt, out of business," said Michael H. Dale, president of Jaguar Cars North America.

Ford bought Jaguar to acquire a prestigious luxury nameplate, which the U.S. company believed it needed to compete globally against Daimler-Benz AG, Bayerische Motoren Werke AG and Toyota Motor Corp.'s Lexus automobiles. But when Ford executives passed through Jaguar's cor-

porate doors, they found an unmitigated disaster, Mr. Dale said.

"We had a plant that was old and second-rate, even compared to the plants that were built in its day," he said. "We had virtually had no quality controls. We were inefficient and costly. The Ford money was essential."

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## Fed Holds Rates Steady As Gold Rises Over \$400

By Keith Bradsher

New York Times Service

WASHINGTON — The U.S. central bank left interest rates unchanged on Tuesday, triggering inflation fears that pushed the price of gold above \$400 an ounce and weighed upon the dollar.

But the consensus of financial economists Tuesday was that the policy-setting Federal Reserve Board's decision to raise rates again before the committee next meets on Nov. 15, particularly if government economic data released in the next six weeks shows signs of incipient inflation.

The Fed issued only a terse brief statement after Tuesday's meeting. "The FOMC meeting ended at 1 P.M.," the statement said. "There will be no further announcements."

A virtually identical statement followed the committee's meeting in early July. The com-

mittee members also chose then to leave short-term interest rates unchanged while giving Mr. Greenspan explicit permission to raise them during the following weeks if he wished.

Mr. Greenspan did not do so, and the committee raised short-term interest rates by half a percentage point at the following meeting on Aug. 16. Today's meeting was the first since then.

The central bank has raised rates repeatedly because of concerns that inflation, now running at slightly less than 3 percent a year for consumer prices, may rise soon. Some members of the FOMC fear higher inflation may lie in the future because the nation's factories are operating closer to full capacity than they have in five years, which could lead people to start bidding up the prices of scarce labor and materials.

Other members of the committee worry that the Fed may have supplied too much credit to the nation's banks last year, increasing the amount of mon-

ey in circulation and allowing Americans to bid up the price of gold and commodities. Both methods of analysis have produced similar conclusions in Fed officials that interest rates should rise.

On Tuesday, gold futures for December delivery on the Commodity Exchange in New York rose \$3.60 an ounce, to \$401.40. That was the highest close for an most-active contract since August 1993.

"[The spike in gold shows that] some people think the Fed isn't doing enough to fight inflation," David Durst, a currency-options trader at Bear, Stearns & Co., told Reuters.

The central bankers who look at capacity limits — a group that is widely believed to include Mr. Greenspan and Alan S. Blinder, the vice chairman — may have looked at figures released today by the Conference Board as evidence that the economy is not going to over-

See MARKETS, Page 14

## Metallgesellschaft Shares Sink

Compiled by Our Staff From Dispatches

FRANKFURT — Stock in Metallgesellschaft AG has plunged 20.5 percent in two days as investors' fears widened over a reported investigation into the role played by Germany's biggest bank in the near-collapse of the metals and mining company.

Meanwhile, shares in Deutsche Bank, which was Metallgesellschaft's largest shareholder and creditor, have dropped 2.7 percent since Friday, double the Frankfurt market's overall decline.

Metallgesellschaft shares closed at 118.50 DM on Tuesday after falling 15.8 DM on Monday and 11.70 DM on Tuesday. The shares had been quoted at 450 DM last November before the crisis broke.

Deutsche Bank closed at 687.50 DM on Tuesday, off 19 DM from Friday.

Investigations have been conducted recently by the New York County District Attorney's office into the activities of Metallgesellschaft Corp., the company's U.S. unit. According to unconfirmed reports, Deutsche Bank's U.S. unit is being investigated for allegedly being involved in the management of Metallgesellschaft's oil

business, an activity that would be illegal under U.S. banking law.

"We have not been made aware that we are being investigated by the DA's office," said Christina Allaire, a spokeswoman for Deutsche Bank of North America.

In addition, two U.S. economists, Merton H. Miller and Steve H. Hanke, recently said in published reports that panic-induced actions by supervisors had made matters worse for Metallgesellschaft after it lost 2.3 billion DM on oil futures contracts when the oil price turned against the company's bet. (Bloomberg, Reuters)

**Campaigners Target Banks**  
Germany's powerful banks came under fire from the country's main political parties on Tuesday and the opposition Social Democrats pledged to clip their wings if they win an election on Oct. 16, Reuters reported from Bonn.

Chancellor Helmut Kohl said he took seriously the complaints of small companies that big banks were too powerful, while Mr. Kohl's coalition partners, the Free Democrats, said bank representation on company boards should be limited.

## MEDIA MARKETS

### Turner's NBC Frustrations

By Edmund L. Andrews

New York Times Service

WASHINGTON — Ted Turner lost his temper Tuesday, confirming in an angry speech here that he wants to buy the NBC television network and then complaining that Time Warner Inc. — one of his biggest investors and a rival bidder for NBC — would not let him do it.

"They're holding me back, and it just isn't right," Mr. Turner, chairman of Turner Broadcasting Corp., said. "I want to be able to play in the big game."

By turns irascible, petulant and even unprintable, Mr. Turner unleashed his fusillade at a luncheon speech before the National Press Club with his wife, the actress Jane Fonda, sitting a few feet away.

The cable-television entrepreneur said Time Warner was using a covenant in its investment contract with Turner Broadcasting to veto his pursuit of NBC and accused the media conglomerate of merely trying to give itself a clear field to bid.

Mr. Turner also said that he had assembled a \$5 billion offer for NBC a year ago, but that the network's owner, General Electric Co., would not begin discussions unless he could first win permission from "my handlers."

Tuesday's outburst apparently came after lengthy private arguments between Mr. Turner and Time Warner's management. Time Warner has been widely reported as offering to buy NBC from General Electric for \$5 billion. Time Warner now owns about 20 percent of Turner Broadcasting, an investment stake second only to that of Tele-Communications Inc. of Denver.

Both companies have veto power over any major investment decisions by Mr. Turner, though Turner executives said the company had not had a similar argument with Tele-Communications.

Time Warner, which has not yet confirmed that it is even negotiating with General Electric, refused to comment on Mr. Turner's remarks.

Speaking to the National Press Club, occasionally bawling in anger, Mr. Turner's off-the-cuff comments were one of the rare times when any bidder has talked in public about attempts to buy a major broadcast network.

Mr. Turner's main complaint was that Time Warner had a conflict of interest, putting its own strategic interests ahead of other shareholders in Turner.

"They said the network business is a lousy business, that you don't want to go into it," he recounted. "But now they're trying to get into it themselves. That's O.K. I just want to be free to negotiate with them too."

At one point, Mr. Turner began describing the ritual of female genital mutilation in some Muslim countries and told the audience that Time Warner was in some sense doing the same thing to him.

He also threatened to take legal action against Time Warner if the two companies did not resolve the dispute peacefully. "I haven't filed a complaint with the Justice Department, and I haven't filed a complaint at the FCC," he said, but added "yet."

Mr. Turner's passion for a network has long been known. In the mid-1980s he made a run at CBS but was rebuffed, and the network was later acquired by Laurence Tisch.

## Prince Walid Taking Stake In 4 Seasons

Bloomberg Business News

TORONTO — Four Seasons Hotels Inc. said Tuesday that Prince Walid bin Talal bin Abdulaziz of Saudi Arabia had agreed to acquire 25 percent of the hotel chain, marking the first step toward relinquishing control by the chain's chairman, Isadore Sharp.

The agreement was valued at \$165 million Canadian dollars (\$122 million).

The prince, whose holdings include interests in Citicorp and Saks Fifth Avenue, also agreed to pay \$35 million Canadian dollars for a quarter of Mr. Sharp's personal stake in Four Seasons and provide about \$100 million to finance the company's expansion plans.

The agreements, valued at \$22 a share, would reduce Mr. Sharp's voting interest to about 65 percent from about 80 percent, according to H. Roger Garland, executive vice president of the luxury-hotel company.

Mr. Sharp said the agreements with the prince "will help ensure access to significant capital and accelerate our growth plans globally."

Four Seasons has 44 properties in 19 countries, including recently opened hotels in Mexico City and Singapore.

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## CURRENCY & INTEREST RATES

Cross Rates										Eurocurrency Deposits									
	\$	£	D.M.	F.F.	Lira	D.P.T.	B.F.	S.F.	Yen	C\$	Peso								
Amsterdam	1.74	2.27	1.72	0.201	0.1114	—	540	1.32	1.305	1.36	1.31	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	
Brussels	31.95	36.28	26.58	4.815	2.645	—	245	1.574	1.147	1.264	1.06	1 month	4 1/4 %	4 1/4 %	3 1/2 %	5 1/2 %	5 1/2 %	3 1/2 %	5 1/2 %
Frankfurt	1.65	2.44	—	0.209	0.111	—	540	1.32	1.305	1.36	1.31	3 months	5 1/4 %	5 1/4 %	3 3/4 %	5 1/2 %	5 1/2 %	2 1/2 %	5 1/2 %
London (n)	1.25	—	2.402	0.217	0.1114	—	540	1.32	1.305	1.36	1.31	4 months	5 1/2 %	5 1/2 %	4 1/4 %	5 1/2 %	5 1/2 %	2 1/2 %	5 1/2 %
Madrid	16.54	26.37	26.38	24.38	3.34	—	2195	4.22	18.15	12.18	12.18	1 year	6 1/2 %	5 1/2 %	4 1/4 %	7 1/2 %	5 1/2 %	2 1/2 %	5 1/2 %
Milan	1.5625	2.6235	1.853	0.215	—	—	—	—	—	—	—								
New York (n)	—	1.578	1.506	0.535	1.033	1.028	31.75	12.98	98.105	34.88	12.18								
Paris	6.56	8.345	7.613	—	0.297	0.141	0.641	0.298	3.586	3.398	4.339								
Tokyo	16.5	15.84	0.51	—	—	—	2.007	1.45	—	71.84	0.862								
Toronto	1.36	1.217	0.628	0.257	0.104	0.798	0.54	1.038	1.071	—	1.761								
Zurich	1.375	2.024	0.884	0.205	0.111	0.295	0.29	—	1.36	0.911	0.999								
1 BCU	1.22	0.764	1.795	0.57	0.215	0.291	0.49	1.12	1.09	1.09	1.09								
1 SDR	1.462	0.908	2.273	0.726	0.264	0.478	1.091	1.452	1.774	1.821	1.821								
Changes in Amsterdam, London, New York and Zurich, Rubles in other centers: Toronto rates of 3 p.m.																			
a: To buy a pound; b: To buy one dollar; c: Units of 100; n.d.: not quoted; n.a.: not available.																			
Other Dollar Values										Key Money Rates									
Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Class	Prev.	Britain							
Australian	0.74	Swedish	8.46	Mex. peso	3.378 <td>S. Afr. rand</td> <td>799.40</td> <td>1-year Treasury bill</td> <td>4.0</td> <td>4.00</td> <td>Base rate</td> <td>5 1/2 %</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	S. Afr. rand	799.40	1-year Treasury bill	4.0	4.00	Base rate	5 1/2 %							
Swiss	1.50	West. German	1.36	M. Zealand	1.611	S. Korean won	250.00	Prime rate	7.0	7.0	Call money	5 %							
British	0.74	Portuguese	200.48	S. Korean won	250.00	Swiss franc	1.50	Federal funds	4 1/2	4 1/2	1-month interbank	5 1/2 %							
Chinese	8.274	Spanish	166.37	Thai baht	24.9	Yen	106.4	3-month CDs	5.0	5.0	3-month interbank	5 1/2 %							
Canadian	0.74	Swiss	1.50	Thai baht	24.9	Telugu	106.4	6-month CDs	5.0	5.0	6-month interbank	5 1/2 %							
Japanese	106.4	Yen	106.4	Thai baht	24.9	Telugu	106.4	9-month CDs	5.0	5.0	9-month interbank	5 1/2 %							
South African	1.46	Yen	106.4	Thai baht	24.9	Telugu	106.4	1-year Treasury bill	4.0	4.0	1-year Gilt	8.97							
South Korean	250.00	Yen	106.4	Thai baht	24.9	Telugu	106.4	1-year Treasury bill	4.0	4.0									
Thai	24.9	Yen	106.4	Thai baht	24.9	Telugu	106.4	3-year Treasury note	7.22	7.22									
West German	1.36	Yen	106.4	Thai baht	24.9	Telugu	106.4	5-year Treasury note	7.22	7.22									
Yugoslavian	1.36	Yen	106.4	Thai baht	24.9	Telugu	106.4	10-year Treasury note	7.22	7.22									
Portuguese	200.48	Yen	106.4	Thai baht	24.9	Telugu	106.4	3-month Treasury bill	4.0	4.0									
Spanish	166.37	Yen	106.4	Thai baht	24.9	Telugu	106.4	6-month Treasury bill	4.0	4.0									
Swiss	1.50	Yen	106.4	Thai baht	24.9	Telugu	106.4	Merrill Lynch 30-day Revoc	4.07	4.07									
Thai	24.9	Yen	106.4	Thai baht	24.9	Telugu	106.4												
West German	1.36	Yen	106.4	Thai baht	24.9	Telugu	106.4												
Yugoslavian	1.36	Yen	106.4	Thai baht	24.9	Telugu	106.4												
Portuguese	200.48	Yen	106.4	Thai baht	24.9	Telugu	106.4												
Spanish	166.37	Yen	106.4	Thai baht	24.9	Telugu	106.4												
Swiss	1.50	Yen	106.4	Thai baht	24.9	Telugu	106.4												
Thai	24.9	Yen	106.4	Thai baht	24.9	Telugu	106.4												
West German	1.36	Yen	106.4	Thai baht	24.9	Telugu	106.4												
Yugoslavian	1.36	Yen	106.4	Thai baht	24.9	Telugu	106.4												
Portuguese	200.48	Yen	106.4	Thai baht	24.9	Telugu	106.4												
Spanish	166.37	Yen	106.4	Thai baht	24.9	Telugu	106.4												
Swiss	1.50	Yen	106.4	Thai baht	24.9	Telugu	106.4												
Thai	24.9	Yen	106.4	Thai baht	24.9	Telugu	106.4												
West German	1.36	Yen	106.4	Thai baht	24.9	Telugu	106.4												
Yugoslavian	1.36	Yen	106.4	Thai baht	24.9	Telugu	106.4												
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Thai	24.9	Yen	106.4	Thai baht	24.9	Telugu	106.4												
West German	1.36	Yen	106.4	Thai baht	24.9	Telugu	106.4												
Yugoslavian	1.36	Yen	106.4	Thai baht	24.9	Telugu	106.4												
Portuguese	200.48	Yen	106.4	Thai baht	24.9	Telugu	106.4												
Spanish	166.37	Yen	106.4	Thai baht	24.9	Telugu	106.4												
Swiss	1.50	Yen	106.4	Thai baht	24.9	Telugu	106.4												
Thai	24.9	Yen	106.4	Thai baht	24.9	Telugu	106.4												
West German	1.36	Yen	106.4	Thai baht	24.9	Telugu	106.4												
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## MARKET DIARY

## Fed Inaction Gives Blue Chips a Lift

NEW YORK — Blue-chip stock prices rose Tuesday, overcoming inflation worries that were raised by the U.S. central bank's decision not to raise interest rates. Overall, however, the stock market was mixed.

While the bond market took a beating amid fears that the

## U.S. Stocks

Federal Open Market Committee's decision might allow inflation to gain momentum, the appeal of the tangible assets of shares appeared attractive.

The Dow Jones industrial index, which fell slightly after the central bank said it would not make a rate announcement, recovered to rise 13.80 points and close at 3,863.04.

Although there had been no real consensus about the likely action of the Federal Reserve Board's policy-setting panel, many traders had anticipated that a rate increase was unlikely until the Fed is able to assess the bulk of September data.

The U.S. bond market followed bond futures lower on apparent disappointment that the Fed had not taken a more aggressive stance in fighting inflation. The benchmark 30-year Treasury bond fell 1/2 point to 96 2/32, while its yield rose to

7.84 percent from 7.80 percent on Monday.

Losers outnumbered gainers six to five on the Big Board and volume swelled to 290.33 million shares from 270.82 million shares on Monday.

Shares of steel, chemical and paper companies climbed after a PaineWebber analyst said steelmakers were strengthening. Alcoa rose 1 1/4 to 77 1/4. International Paper climbed 1 1/4 to 79. DuPont rose 1/4 to 57 1/4 and Union Carbide gained 1/4 to 34 1/4.

Auto stocks rose after Smith Barney raised its ratings for the sector. Ford rose 1/4 to 27 1/4. Chrysler climbed 1 1/4 to 45 1/4 and General Motors moved 1/4 higher to 47 1/4.

Drug stocks as most of companies announced favorable new product approvals or stocks buybacks. Schering Plough, which announced plans to buy back as much as \$500 million of its common stock, jumped 2 to 70 1/4. Merck rose 1/4 to 35 1/4 and Eli Lilly rose 1/4 to 57 1/4.

LSI Logic surged 2 1/2 to 38 after it said it expected revenue from a new kind of customized computer chip to account for 30 percent of total sales next year, double the current level.

Baby Superstores soared over 34% from its initial public offering price of 18. (AP, Knight-Ridder, Bloomberg)

## MARKETS: Dollar Declines

Continued from Page 13

heat soon. The Conference Board announced this morning that consumer confidence fell for the third straight month, suggesting that consumers may not be bidding up soon the

## Foreign Exchange

prices for the limited output of factories.

Until this year, the Fed never issued any announcement at all at the end of interest-rate policy meetings, leaving investors to guess its intentions from the Federal Reserve Bank of New York's purchases and sales of Treasury bonds every morning. While the FOMC could in theory have decided on an interest-rate increase this morning but decided not to announce it, this seems unlikely given the strong support that many Fed officials now express privately in favor of announcing interest-rate increases.

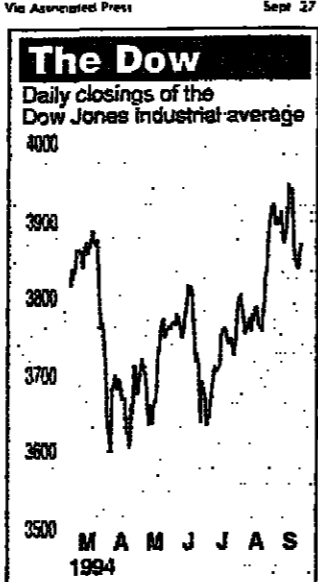
The Aug. 16 interest rate increase was the fifth this year, following increases on Feb. 4,

March 22, April 18 and May 17. Taken together, these increases have pushed up the Federal Funds rate, which banks pay each other for overnight loans, to 4.75 percent from 3 percent.

The Fed has also raised the discount rate, which banks pay to borrow money overnight from the Fed, by half a percentage point on May 17 and again on Aug. 16. The two changes have increased the discount rate to 4 percent from 3 percent at the beginning of this year.

The dollar closed at 1.5436 Deutsche marks in New York, down from 1.5536 DM, at 98.105 yen, down from 98.750 yen. The dollar fell to 1.2870 Swiss francs from 1.2871 francs, to 3.2675 French francs from 3.3085 francs. The pound closed at \$1.5798, up from \$1.5720.

Tuesday's meeting of the FOMC, whose voting members comprise the seven Fed governors and five regional Federal Reserve Bank presidents, lasted for more than four hours. The panel meets eight times a year.



Vol. High Low Last Chg.

NYSE Most Active

Vol.	High	Low	Last	Chg.
IBM	100.00	99.00	99.00	-1.00
Microsoft	50.00	49.00	49.00	-1.00
Apple	40.00	39.00	39.00	-1.00
Oracle	30.00	29.00	29.00	-1.00
Sun	20.00	19.00	19.00	-1.00
HP	10.00	9.00	9.00	-1.00
Intel	5.00	4.00	4.00	-1.00
Motorola	4.00	3.00	3.00	-1.00
AT&T	3.00	2.00	2.00	-1.00

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AT&T	3.00	2.00	2.00	-1.00

## Dow Jones Averages

Open	High	Low	Last	Chg.
Indus	3863.04	3844.75	3863.04	+13.80
Comp	1284.49	1279.14	1284.49	-0.10
Unif	1284.49	1279.14	1284.49	-0.10

## Standard &amp; Poor's Indexes

High	Low	Close	Chg.
Industrials	544.00	544.00	+1.00
Utilities	124.00	124.00	+0.00
Finance	124.00	124.00	+0.00
SP 500	386.00	386.00	+0.00

## NYSE Indexes

High	Low	Close	Chg.
Composite	3863.04	3863.04	+13.80
Industrials	3863.04	3863.04	+13.80
Utilities	3863.04	3863.04	+13.80
Finance	3863.04	3863.04	+13.80

## NASDAQ Indexes

High	Low	Close	Chg.
Composite	754.00	754.00	-0.00
Industrials	754.00	754.00	-0.00
Utilities	754.00	754.00	-0.00
Finance	754.00	754.00	-0.00

## AMEX Stock Index

High	Low	Close	Chg.
AMEX	451.81	452.21	+0.40

## Dow Jones Bond Averages

Open	High	Low	Last	Chg.
20 Bonds	96.25	96.25	96.25	-0.00
10 Industrials	96.25	96.25	96.25	-0.00

## NYSE Diary

Adv.	Decl.	Unch.
146	146	146

## AMEX Diary

Adv.	Decl.	Unch.
146	146	146

## Spot Commodities

Commodity	Today	Prev.
Crude oil	22.50	22.50
Gold	380.00	380.00

## Market Sales

Today	Prev.
NYSE	290.33
AMEX	128.49

## The Dow

Open	High	Low	Last	Chg.
Indus	3863.04	3844.75	3863.04	+13.80

## Dow Jones Averages

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## NYSE Indexes

High	Low	Close	Chg.
Composite	3863.04	3863.04	+13.80

## NASDAQ Indexes

High	Low	Close	Chg.
Composite	754.00	754.00	-0.00

## AMEX Stock Index





## EUROPE

# ICI and Enichem To Float Stake In Vinyl Firm

**Compiled by Our Staff From Dispatches**  
**LONDON** — Imperial Chemical Industries PLC and Enichem SpA said they would sell a 60 percent stake in their joint venture, EVC International NV, the largest vinyl business in Europe, through a Dutch public offering this year.

ICI and Enichem said they would raise as much as 700 million guilders (\$400 million) by selling a majority of EVC, which the British and Italian chemical makers formed eight years ago.

The sale would reduce the partners' exposure to the fluctuation of prices for EVC's commodity plastics, especially poly-

vinyl chloride, its primary product, analysts said.

They also said the move was part of ICI's strategy to move out of commodity chemicals businesses. Last year ICI sold its fibers business to Du Pont of the US, and its polypropylene capacity to BASF of Germany.

The proposed flotation would be undertaken through an offering to Dutch and international investors, with a full listing on the Amsterdam Stock Exchange, ICI said.

An EVC spokesman said the flotation would begin at the end of October and would be completed by the end of the year.

The offering will comprise new shares to be issued by EVC and existing shares to be sold by ICI and Enichem.

Following the offering, the combined shareholding of ICI and Enichem in EVC will be approximately 40 percent, before exercise of any overallment option, ICI said.

"EVC has taken a lot of time and money, and it's been a recession-hit business," said Martin Evans, a chemical industry analyst at Hoare Govett Ltd.

ICI, the world's fourth-largest chemical company, said the sale was likely to result in a charge against its fourth-quarter earnings of about £125 million (\$197 million).

The charge, which was not expected by analysts, will reflect the reduced value of its stake in the vinyl joint venture.

"I wouldn't expect the market to react much to the charge," said John Doree, a chemical analyst at Robert Fleming Securities. "This is a very asset-rich company."

Prices for polyvinyl chloride, used in plastic pipes, fell nearly 50 percent during Europe's recession between 1989 and 1993. Since then, prices have rebounded on strong industrial demand and a shortage of supply.

EVC lost 111 million guilders in 1993. But in the first half of this year, the company posted an operating profit of 43 million guilders on sales of 1.2 billion guilders. (Bloomberg, AFP)

# Unemployment Settles In Europe's Jobless Ailing Amid Recovery

By Richard W. Stevenson

New York Times Service

**MADRID** — After suffering the ravages of the deep European recession, the Spanish economy is perking up and should grow at a reasonable rate over the next several years.

Exports are surging. Corporate profits are improving. Inflation is under control. But none of that means much to Soledad Arevalo Sastré. She recently lost her job as a history and geography teacher, has little hope of finding a new one and is living on unemployment insurance. She does not expect the economic recovery to change the outlook for her or for most of the 3.7 million other Spaniards who are out of work, a staggering 24.3 percent of the work force.

"I have absolutely no idea what will happen to them or to me and my life," said Miss Arevalo, a 35-year-old Madrid resident. "The world is changing too fast."

Across Western Europe the recovery is gathering steam, bringing an end to one of the bleakest economic periods in the region since World War II.

But for the European Union's 20 million unemployed people — 10.8 percent of the work force — the rebound is only confirming what many of them had feared and what economists had been predicting: that their plight will not end with the recession.

Instead, the jobless are beginning to understand what analysts mean by "structural" unemployment, the kind that will not be swept away by a cyclical economic improvement. Like Miss Arevalo, they are at risk of being caught permanently among an array of problems that are much discussed but difficult to solve.

There is an intensifying worldwide industrial competition that has been forcing companies to pare their work forces. There is the high cost of employing workers in Europe, where businesses foot much of the bill for generous social welfare programs. There are Europe's rigid labor laws, which inhibit business expansion by making it expensive and difficult for employers to hire and dismiss workers.

"Economic growth will play a part in reducing unemployment," said a recent report from the Organization for Economic Cooperation and Development, a research group based in Paris that is financed by the largest industrial democracies. "But beyond the cyclical component of unemployment is a structural element that persists even into recovery," the report said. "This is harder to reduce and is even more troubling."

Nowhere is the problem more troubling than in Spain, and nowhere are the difficulties of solving it more clear.

Although the figure appears to be inflated to an unknown extent by fraudulent claims from people who are working in undocumented jobs, Spain's jobless rate is by far Western Europe's highest. The country's Socialist-led

government has tried to address the problem with an ambitious package of labor laws that went into effect earlier this year. Among the changes, the laws make it easy for employers to hire temporary workers and to pay them, in some cases, less than the minimum wage.

Economists said the laws appeared to be spurring the creation of jobs. But they said some of the jobs might be coming at the expense of permanent, better-paid employment for other workers. In any case, they said, Spain has so far shown little ability to create or attract new jobs in industries with bright futures like technology.

"Although the labor-market reforms are helping the Spanish economy to create more jobs with low growth, unemployment rates are going to stay high for some time," said

**The problem is acute in Spain, which has changed its laws to boost employment. But little improvement in the jobless rate is expected.**

Sonsoles Gallego Herrero, an economist with Analistas Financieros Internacionales, a consulting firm in Madrid. "Things will improve next year, but not substantially."

A recent forecast by NatWest Markets in London projected Spain's unemployment rate would decline only marginally, to 23.9 percent next year and 23.3 percent in 1996.

While the jobless rates in the rest of Europe are not so high, the projected improvement over the next few years is equally slight. According to NatWest, France's unemployment rate will decline to 11.9 percent in 1996 from its average level for this year of 12.5 percent.

Over the same period, Italy's rate will drop to 10.7 percent from 10.9 percent. In Western Germany, joblessness is projected to fall from 8.3 percent this year to 7.6 percent in 1996.

Europe has remained calm at least in part, economists said, because unemployment benefits are generous. They start at \$470 a month in Spain for a single person and go up to more than double that for a worker with two or more children. They generally continue, in some form, for as long as workers remain jobless.

What progress there has been in battling unemployment has come largely as a result of deregulating the labor force. The need for such steps has gained widespread acceptance, even among Socialists such as Prime Minister Felipe Gonzalez of Spain, who pushed a package of changes through Parliament last year despite strong opposition from his party's left wing and from the country's trade unions.

# Net Surges At Telecom Of Italy

Bloomberg Business News

**ROME** — Telecom Italia SpA, Italy's state-owned telecommunications company, said greatly reduced costs of debt service and increased sales resulted in a 119 percent rise in pretax operating profit for the first half of 1994.

Telecom Italia was created July 27 through the merger of five smaller telecommunications companies.

When comparison figures are used, they refer to first-half 1993 figures of Sip SpA, which accounts for 90 percent of Telecom Italia business.

Pretax operating profit for the first half rose 119 percent to 2.174 trillion lire (\$1.4 billion) compared to the same period last year, mainly due to a reduction in Telecom's interest payments on debt, the company said. Interest payments decreased 38.2 percent, to 757.7 billion lire.

Sales increased 25 percent, to 14.2 trillion lire. Operating profit before taxes and interest payments was 7.9 trillion lire.

## Merger Set in Peru

The Spanish-owned telephone companies Entel Peru SA and Compania Peruana de Telefonos SA will merge by the end of the year, Reuters reported from Lima.

Telefónica de España SA acquired a controlling stake in both companies by paying \$2 billion in a privatization auction in February.

# Canal Plus Buys Stake in Vox

Compiled by Our Staff From Dispatches

**GUTERSLOH, Germany** — Canal Plus SA, the French cable-television company, agreed to take a 24.9 percent stake in Vox, the troubled German broadcaster. Financial details were not disclosed.

Vox was threatened with bankruptcy before News Corp. bought a 49.9 percent stake in the company in July.

The channel is 24.9 percent held by a unit of Bertelsmann AG. (Reuters, AFP)

# Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2300	3400	2300
2200	3300	2200
2100	3200	2100
2000	3100	2000
1900	3000	1900
1800	2900	1800
1700	2800	1700
1600	2700	1600
1500	2600	1500
1400	2500	1400
1300	2400	1300
1200	2300	1200
1100	2200	1100
1000	2100	1000
900	2000	900
800	1900	800
700	1800	700
600	1700	600
500	1600	500
400	1500	400
300	1400	300
200	1300	200
100	1200	100
0	1100	0
-100	1000	-100
-200	900	-200
-300	800	-300
-400	700	-400
-500	600	-500
-600	500	-600
-700	400	-700
-800	300	-800
-900	200	-900
-1000	100	-1000

Sources: Reuters, AFP

# Very briefly:

- West German consumer prices rose 2.9 percent in September from a year ago, but were unchanged from August, according to provisional figures from the federal statistical office.
- MTV Networks, a unit of Viacom Inc., has promoted William Roedy, chief executive of MTV Europe, to president of all MTV international operations.
- Oman Oil Co. will conduct a feasibility study to lay the world's deepest underwater natural gas pipeline from Oman to India; the countries will sign a final, long-term gas supply deal in July if the pipeline proves feasible.
- Scor SA, France's largest reinsurer, said its first-half net profit rose to 99 million francs (\$19 million), from an estimated 29 million francs a year ago; the company also said sales improved.
- House of Fraser PLC said its first-half pretax loss widened to £4.5 million (\$7.1 million) from £800,000 because of an £8.5 million charge for listing on the London Stock Exchange. The company owns 56 department stores in Britain.
- Bayer AG's management board chairman, Manfred Schneider, said he was confident that the company would realize its earnings goals its 1994 financial year; in August, the company announced a 24 percent increase in first-half earnings.
- Sears PLC, the British retailer that owns Selfridges, an upmarket London store, said first-half pretax profit jumped 38 percent to £53.8 million. Sears raised its dividend to £1.05 from £1.00.
- Tarmac PLC, Britain's biggest construction and housing company, said two years of restructuring helped its first-half pretax profit rise to £23.1 million from £2.5 million a year ago.
- The Russian Central Bank spent \$2.5 billion over the last two months on intervention to support the ruble, reducing its foreign exchange reserves to below \$5 billion, a bank official said.
- Norway may raise its value-added tax to 23 percent in 1995 from the current 22 percent to compensate for losses likely to be suffered by farmers and medium-sized companies if the country joins the European Union. (AFP, AFX, Bloomberg, Reuters)

# TO THE UNITHOLDERS OF THE GARTMORE INDOSUEZ FUNDS

## DIVIDEND ANNOUNCEMENT

The Board of Directors of the Gartmore Indosuez Funds Management Company SA, acting for and on behalf of the Gartmore Indosuez Funds, has decided on September 19, 1994 to distribute, according to the Prospectus, the following dividends:

G.I. DEM Bonds	DEM 0.3
G.I. DEM Reserve	DEM 1.85
G.I. Dividend	CHF 0.14
G.I. European Bond	NEU 0.05
G.I. FRF Bonds	FRF 0.59
G.I. FRF Reserve	FRF 0.41
G.I. Global Bond	US\$ 0.13
G.I. Dollar Bond	US\$ 0.09
G.I. YEN Reserve	JPY 8.63

The ex-dividend date will be September 23, 1994 and the payment date will be September 30, 1994.

For the Management Company  
The Domiciliary Agent

Banque Indosuez Luxembourg

# Société Générale Net Rises But Full-Year View Is Weak

Compiled by Our Staff From Dispatches

**PARIS** — Société Générale reported a 4 percent increase in net earnings in the first six months of this year because of reduced provisions for problem loans. But it said it expected full-year earnings to decline.

The bank, one of the largest in France, said net profit rose to 2.24 billion French francs (\$421 million) from 2.16 billion francs a year earlier.

The results were in line with expectations.

But Marc Vienot, the chairman said: "1994 net profit will be lower than last year, but I can't say by how much because it will depend on economic con-

ditions." The bank earned 3.6 billion francs in 1993.

Net banking income declined 2 percent, to 19.87 billion francs, in the first half, reflecting a significant drop in financial-market trading profits.

The bank reduced provisions for problem loans 22 percent in the first half from a year ago, but they remained high at 2.74 billion francs. Mr. Vienot said. Some 710 million francs of problem loans related to the depressed real estate sector.

Gross operating profit dropped 10 percent, to 6.05 billion francs. But this was 9.6 percent higher than in the second half of 1993. (Bloomberg, AFP, AFX)

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## Fujitsu Bolstered By Cost-Cutting, Upturn in Sales

**Bloomberg Business News**  
TOKYO — Fujitsu Ltd. said Tuesday it would show larger profits than forecast for the year ending in March 1995 because of cost-cutting efforts and increased sales of semiconductors.

A spokeswoman for Fujitsu, Japan's largest computer maker, said pretax profits for the year may reach 70 billion yen (\$714.3 million), 8 billion yen more than the company predicted in May. Fujitsu earned 28.9 billion yen in the previous year.

Fujitsu was forced into a major restructuring after it lost 8.7 billion yen in the year to March 1993. The company said it would cut some 6,000 jobs by 1995, bringing the company's total work force to 50,000. To cut costs further, the company has decided to acquire parts from overseas for a new line of inexpensive personal computers it released in September 1993.

Improved sales of semiconductors because of a worldwide surge in demand for computers and the chips that go in them will also help earnings, Fujitsu said. The company is Japan's fourth-largest and the world's No. 8 chip maker.

**Matsushita on Target**  
Matsushita Electric Industrial Co. is confident of reaching its earnings forecasts for the first half of its business year ending Sept. 30, Reuters reported on Tuesday from Osaka, Japan.

Strong overseas and better-than-expected domestic sales, as well as continued cost-cutting, will help the company meet its forecasts despite the yen's climb against the dollar, a spokesman said.

Matsushita has predicted a 30 billion yen parent pretax profit for the period, which is steady from a year ago.

## Computer Company Has Character Founder Has a Lock on Chinese-Language Publishing

**Bloomberg Business News**  
BEIJING — The Cultural Revolution frustrated Wang Xuan, a Beijing University professor. After Red Guards learned the computer specialist had studied English by tuning into the BBC, he was "struggled against," becoming the target of verbal and physical abuse and being required to write self-criticisms. Worst of all, he had to spend five years "doing nothing," he said.

So when normalcy returned in 1976, Mr. Wang had some catching up to do. He reacted by working without a day off for the next 16 years.

"I did it for the attraction of the challenge, the difficulty of the project and the value of the project," he said.

Mr. Wang's goal was to develop a computerized printing system for Chinese-language publishing. What he came up with is now the core product of one of China's fastest-growing computer companies.

Mr. Wang is technical director of Founder Group, a start-up computer company linked to his university.

This year, Founder's revenue is set to double to 1.8 billion yuan (\$211 million). Exports also are likely to double, to about

\$8 million. The company earned 130 million yuan in 1993, Mr. Wang said.

According to a recent front-page article in the People's Daily newspaper, Founder's black-and-white and color printing systems are now used by 99 percent of all Chinese newspapers in China and 90 percent of magazines.

In recent months, Mr. Wang has been an outspoken critic of attempts to make China's computer industry self-sufficient. He said he wanted China to collaborate with foreign companies, when necessary, to stay competitive.

Founder has signed technical accords with seven foreign computer companies, including AST Research Inc. and Hewlett-Packard Co. of the United States and Canon Inc. of Japan. Founder also markets minicomputers in China for Digital Equipment Corp. of America; predicted sales this year would top 100 million yuan.

Founder's main product, its publishing system, comes in software form but usually is sold as a package of terminals, typesetting systems and scanners. Much of the equipment is imported. A high-density computer chip developed by

Founder and made in Italy and Britain runs most of the systems.

This year, Founder said it expected to sell up to 3,000 of its color printing systems. The basic product, including computer processing cards, software and typefaces, sells for about \$20,000 overseas. Founder has sold its products to about 40 leading Chinese papers abroad, including Hong Kong's Ming Pao.

To raise its international profile and attract investors, Founder plans to list its Hong Kong subsidiary on the Hong Kong stock exchange next year and sell half its shares in the unit.

Founder (HK) Ltd. handles the company's overseas sales, but it will be expanded to take in the enterprise's other subsidiaries, dealing with finance and real estate development.

Cheung Yuk-fung, executive president of Founder, said the company has yet to choose an underwriter but expects to pick a medium-sized one. "We don't have that many shares," he said. "We expect to raise about 500 million to 600 million Hong Kong dollars."

Investor's Asia				
Hong Kong	Singapore	Tokyo		
Hang Seng	Straits Times	Nikkei 225		
11000	2400	22000		
10000	2200	20000		
9000	2000	18000		
8000	1800	16000		
7000	1600	14000		
6000	1400	12000		
5000	1200	10000		
4000	1000	8000		
3000	800	6000		
2000	600	4000		
1000	400	2000		
0	200	0		
Exchange	Index	Tuesday	Prev.	%
		Close	Close	Change
Hong Kong	Hang Seng	9,610.24	9,677.39	-0.69
Singapore	Straits Times	2,289.84	2,289.81	-0.01
Sydney	All Ordinaries	2,013.80	2,030.00	-0.80
Tokyo	Nikkei 225	18,468.89	18,814.36	-1.74
Kuala Lumpur	Composite	1,149.60	1,157.48	-0.68
Bangkok	SET	1,502.25	1,495.72	+0.44
Seoul	Composite Stock	1,052.01	1,045.12	+0.66
Taipei	Weighted Price	7,102.10	7,025.76	+1.09
Manila	PSE	2,934.27	2,944.20	-0.34
Jakarta	Stock Index	507.24	510.19	-0.58
New Zealand	NZSE 40	2,083.58	2,075.80	+0.37
Bombay	National Index	2,108.31	2,108.57	-0.06

Sources: Reuters, AFP International Herald Tribune

### Very briefly:

- Japan's leading economic index stood at 60 points, down from a revised 61.5 points in June, but well above the threshold of 50, considered the dividing line between expansion or contraction, for the seventh consecutive month.
- Samsung Aerospace Industrial Co. and 31 other South Korean companies have formed a consortium to develop a 100-seat passenger jet jointly with China. Seoul and Beijing plan to invest \$1.2 billion to develop a prototype by 1998.
- Thailand's Securities & Exchange Commission said it had approved in principle the establishment of a secondary market for securities that fail to gain a listing on regular exchange.
- Australia's ruling Labor Party backed a government plan to privatize the country's airport network but only on the condition that majority ownership remain Australian.
- Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., the largest listed company in Shenzhen, said its B shares can now be traded as American depositary receipts.
- All Nippon Airways said it was likely to post profit of about 2.4 billion yen (\$24.55 million) in the six months ended Sept. 30.
- Taiwan's index of leading economic indicators fell 0.3 percent in August, its first drop after four rises, because of slower export growth and other factors.
- Singapore Telecom is to launch a trial video-on-demand service that would allow subscribers to select movies and view them at home whenever they want to.

Reuters, AP, AFP, Bloomberg

## David Tang Leaves Problematic MKI

**Bloomberg Business News**

HONG KONG — David Tang, the Hong Kong business executive, said Tuesday he had resigned as chairman of MKI Corp., a real estate and investment company that has been suspended from trading on the Hong Kong stock exchange since June.

One of Hong Kong's most visible personalities, Mr. Tang said he had resigned from MKI and an associated company, Chesterfield Ltd.

"I was involved in too many things," Mr. Tang said. He said he was trying to "divest" in order to concentrate on his own businesses.

Mr. Tang's replacement at MKI is Khundkar Khalid Ahmed Hossain, who is already the company's president and chief executive.

Hong Kong's securities watchdog, the Securities and Futures Commission, suspended MKI shares from trading after the company made a series of potentially market-moving announcements without first clearing them with the regulator.

MKI's stock doubled between May 5 and June 6. The securities watchdog suspended trading in the shares, demanding evidence that some of its deals really exist-

ed. The stock last traded at 61 Hong Kong cents.

The suspension is still in effect, and there are no plans for a change at the current time, a commission spokesman said.

On September 9, MKI and Chesterfield reported huge losses in Chinese real estate dealings. The companies said they had been forced to write down two of their investments to just 1,000 Hong Kong dollars (\$129) each after having paid a total of 233.9 million dollars for them.

What got MKI in trouble with securities regulators was a series of announcements claiming to have locked up lucrative contracts in Mongolia, including an exclusive marketing agreement for a supercomputer research center at the country's National University.

But the Mongolian government could not confirm when the center would actually open, and who would run it. At best, MKI's claim was premature.

Many of the deals that got the company suspended from trading have failed to materialize. Several companies named as MKI business partners said they did not have any formal agreements with the Hong Kong company. One company named in a release said it had no contact with MKI.

## Jardine Will Soon Trade In Singapore

**Compiled by Our Staff From Dispatches**

HONG KONG — Jardine Matheson Holdings Ltd. and Jardine Strategic Holdings Ltd. said Tuesday that most of their shares would trade in Singapore once the companies delist from the Hong Kong Stock Exchange on Dec. 31.

Neil McNamara, company secretary of Jardine Matheson, said institutional shareholders had expressed no concern about the change.

The Jardine group has made arrangements with nine securities firms to trade the shares for retail Hong Kong investors. The houses will charge brokerage fees of no more than half a percentage point.

Mr. McNamara said similar steps would be taken for the Jardine subsidiaries that have said they would delist on March 31: Dairy Farm International Holdings Ltd., Mandarin Oriental International Ltd., and Hongkong Land Holdings Ltd. The Jardine Matheson companies' primary listings are in London but most trading in their shares is done in Hong Kong. Jardine Matheson's shares closed Tuesday at 65 Hong Kong dollars (\$8.41).

(Bloomberg, Knight-Ridder)

## Undersea Cable To Link Japan With Britain

**Agence France-Press**

TOKYO — Marubeni Corp. of Japan is to launch a \$1.4 billion project with U.S. and Saudi Arabian companies next year to link Japan and Britain with the world's longest undersea cable, a spokesman said Tuesday.

Marubeni's partners are Nynex Corp. of the United States, the Dallah Al Baraka Group of Saudi Arabia and Gulf Associates Inc., a New York-based investment firm.

The project involves laying a 27,000-kilometer (16,740-mile) optical cable connecting Japan and Britain through the Mediterranean Sea, the Red Sea, the Indian Ocean, the South China Sea and the East China Sea. It is expected to begin early next year and to be completed by 1997.

The partners plan to recover their investment through sales of circuits to international telephone operators, the Marubeni spokesman said.

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## SPORTS

## Despite Rally, Victory Eludes Broncos Again

By Timothy W. Smith  
New York Times Service

ORCHARD PARK, New York — On a dreary autumn night, with rain falling intermittently, the Denver Broncos were hoping to salvage some respect and turn around a season on the brink of collapse against the Buffalo Bills here on Monday night. Ultimately, the dampness of the night would work to their undoing.

The Broncos fought back from a 24-7 deficit early in the third quarter on the strength of quarterback John Elway's guile and grit. Twice they narrowed the Bills' margin to 7 points on field goals by Jason Elam.

Trailing by 7 with 21 seconds to play and one last shot at the Bills' end zone on a fourth-and-goal from the 4, Elway rolled to his right and threw a pass to Cedric Tillman that sailed about 5 yards over his head. The ball had slipped out of Elway's hand, and so had the 1994 Denver team for the worst start in franchise history.

"We had some problems with wet balls all night," Elway said. "I knew I couldn't run it in from there, so my only option was to throw it. The ball was wet and anytime you have a wet ball you just want to get it out quickly. That's what I wanted to do."

The Bills were spared another of Elway's patented fourth-quarter comebacks.

"His whole career he's been

noted for that," said Bills safety Henry Jones. "It's about time his luck ran out. I'm glad it happened tonight."

The Bills moved to 3-1 and tied the Dolphins for first place in the American Football Conference East.

Denver's coach, Wade Phillips, who is trying to stave off calls for his dismissal, may already have learned that Jack Faulkner was dismissed as Broncos coach after losing the first four games in 1994. But Phillips said the way the Broncos battled back on Monday night gave him hope that they would soon be able to turn around their fortunes.

Both teams suffered major blows to their rushing attacks. The Broncos may have lost running back Rod Bernstein for the season with an injured right knee. And Bills running back Thurman Thomas, who was having his best game of the season, went out early in the third quarter with a knee injury.

Thomas left the field under his own power with an ice pack wrapped around his right knee and did not return. Before the injury, he had 103 yards and two touchdowns on 16 runs of 16 and 27 yards on 17 carries. He was injured on a 9-yard run that helped set up a 3-yard touchdown run by fullback Carwell Gardner that helped give the Bills that 24-7 lead.

Trailing by 27-20, and with all three of their timeouts, the Broncos had one last shot to tie or win the game. They started their fi-



Buffalo's Thurman Thomas, downed by Denver defenders, scored twice before injuring his knee in the third quarter.

nal drive 53 yards from the Buffalo goal line after a 24-yard punt return by Glyn Milburn.

Elway completed a 24-yard pass to Shannon Sharpe on a fourth-and-5 from the Bills' 48. On a third-and-goal at the 5 with under a minute to play, though, Elway didn't see Milburn wide open in the left corner of the end zone and threw a pass to receiver Jeff Campbell that was batted down by Jones.

On fourth-and-goal from the 4, the Broncos called a timeout.

Then Elway, rolling to his right, threw the slippery pass that sailed over Tillman's head.

Simms, 38, is now a television commentator. He was the most valuable player in New York's 39-20 victory over Denver in the 1987 Super Bowl.

Simms had been scheduled to make more than \$2 million with the Giants and reportedly wanted a two-year, guaranteed \$4 million contract from the Cardinals. The Cardinals re-

portedly were offering \$1 million for one year because of salary-cap problems.

Simms said he gave the Cardinals a deadline to come up with a better offer and the deadline passed. But he also insisted that the issue was more than one of money.

"I didn't want to get myself in a position where I'm one of four quarterbacks," he said, referring to Steve Buerlein, Jim McMahon and Jay Schroeder. (AP, WP)

## Oates of Orioles Joins the Ranks Of Fired Managers

The Associated Press

BALTIMORE — Johnny Oates has been fired as manager of the Baltimore Orioles by the team's owner, Peter Angelos, becoming the third manager to lose his job since the baseball strike began in August.

Oates, who led the Orioles to a 63-49 record this season, failed to produce the results Angelos had expected from a lineup bolstered in 1994 by the addition of a half-dozen high-priced free agents.

Angelos openly questioned several of Oates's decisions last year and questioned his ability to lead the team. Rumors of Oates's dismissal began in May, and intensified in early August when the Orioles fell 10 games behind the first-place New York Yankees in the American League East.

When the strike began, the Orioles trailed the Cleveland Indians for the wild-card spot. Team sources said Monday after the dismissal that Angelos was looking for a high-profile manager who would get the most out of one of baseball's highest-paid lineups. The Orioles have been denied permission to talk with the Oakland Athletics' manager, Tony La Russa, whose contract expires in October, The Baltimore Sun reported Sunday.

That story, Angelos said, triggered the move.

"We couldn't let things continue like this," Angelos said in a telephone interview. "It was not fair to Johnny. We would have probably ended up making the same decision, but that newspaper story forced us to act quicker than anticipated."

Baltimore was 291-270 (.519) in Oates's nearly four years as manager. Oates, 48, took over for Frank Robinson on May 23, 1991, his first managerial job in the major leagues.

Oates joins Hal McRae of Kansas City and Butch Hobson of Boston as managers who have lost their jobs since the strike began Aug. 11.

Oates made a statement through the team.

"I want to thank the Baltimore Orioles organization for giving me the opportunity to manage at the major-league level," he said. "I leave the O's with my head held high. Last but not least, I would like to thank all the wonderful Orioles fans for their support and encouragement."

Angelos led a group of investors that bought the team for a record \$173 million last August and inherited Oates. The Orioles made a run in 1993, and Angelos subsequently rewarded him with a two-year contract.

After Oates took over in 1991, the Orioles finished in last place with a 54-71 record. They improved to 89-73 in 1992, then went 85-77 to finish in third place in 1993.

Baltimore was expected to be a contender this year after Angelos spent millions on Rafael Palmeiro, Sid Fernandez, Chris Sabo, Lee Smith and Mark Eichhorn. The Orioles ended up spending only four days in first place — none after April 19.

## Fate of NHL's Season To Be Decided Friday

The Associated Press

TORONTO — The National Hockey League season is still set to begin Saturday night, but Commissioner Gary Bettman said he would decide on Friday whether to postpone it.

On Tuesday, there were strong signs that the start of the season would be delayed. The Anaheim Mighty Ducks canceled their hotel reservations in Dallas for Friday and the Boston Bruins were looking for ice time for playoff hockey in July.

Bettman said a decision would be made Friday so that 12 teams would have time to cancel their travel plans to opening-night destinations for Saturday's scheduled start of the season.

Bettman arrived Tuesday for a morning meeting with Bob Goodenow, the union's executive director. If the two pick up where they left off Monday, things look bleak. One insider said "nothing was accomplished" during five hours of negotiations Monday.

Negotiators for owners and players met in large and small groups trying to find common ground for a collective bargaining agreement on two of three key issues — a tax to help small market teams and salary arbitration.

The NHL is proposing to tax teams that exceed the league's average salary, which was approximately \$16 million in 1993-94. The money would be pooled to help small-market teams.

Players resist the proposal because they feel it is a salary cap. Instead, they have proposed a 5 percent tax on salaries and revenues, with the money being pooled to help small-market teams. The NHL opposes this because it feels it does not address the issue of escalating salaries.

## SCOREBOARD

# Monday's Games

Buffalo 27, Denver 20

## NFL Standings

AMERICAN CONFERENCE										
East										
W	L	T	Pts	PF	PA	W	L	T	Pts	
Buffalo	3	1	0	250	85	85				
Atlanta	3	1	0	250	124	101				
New England	2	2	0	200	124	122				
N.Y. Jets	2	2	0	200	124	122				
Indianapolis	1	3	0	250	96	97				
Central										
W	L	T	Pts	PF	PA	W	L	T	Pts	
Cleveland	4	0	0	100	114	78				
Pittsburgh	3	2	0	250	70	77				
Houston	1	3	0	250	95	91				
Cincinnati	0	4	0	200	71	154				
West										
W	L	T	Pts	PF	PA	W	L	T	Pts	
San Diego	3	1	0	1,000	114	78				
Kansas City	3	1	0	250	54	60				
Seattle	3	1	0	250	106	51				
L.A. Raiders	3	1	0	250	95	92				
Denver	0	4	0	200	92	137				

NATIONAL CONFERENCE										
East										
W	L	T	Pts	PF	PA	W	L	T	Pts	
N.Y. Giants	3	0	0	1,000	79	43				
Dallas	2	1	0	250	60	60				
Philadelphia	2	1	0	250	60	60				
Washington	1	3	0	250	110	110				
Arizona	0	3	0	200	29	44				
Central										
W	L	T	Pts	PF	PA	W	L	T	Pts	
Minnesota	3	1	0	250	100	68				
Chicago	2	2	0	250	76	85				
Detroit	2	2	0	250	76	85				
Green Bay	2	2	0	250	76	85				
Tampa Bay	1	3	0	250	43	49				
West										
W	L	T	Pts	PF	PA	W	L	T	Pts	
San Francisco	3	1	0	250	119	70				
Atlanta	2	2	0	250	96	97				
L.A. Rams	2	2	0	250	96	97				
New Orleans	1	3	0	250	43	49				

## Japanese Leagues

Central League									
W	L	T	Pct.	GB	W	L	T	Pct.	GB
Yomiuri	46	58	0	.522	-				
Chunichi	45	59	0	.524	-				
Hiroshima	45	62	0	.512	2 1/2				
Hanshin	41	67	0	.484	-				
Yokohama	40	65	0	.480	.43				
Yokohama	37	65	0	.467	8				
Toei League Results									
Yokoh. 10, Hiroshima									
Hanshin 3, Yokohama 2									
Yokohama vs. Chunichi, post, rain									
Pacific League									
W	L	T	Pct.	GB	W	L	T	Pct.	GB
Selbu	73	50	1	.593	-				
Kristu	48	55	2	.553	5				
Yokohama	48	55	2	.553	5				
Oriz	44	39	2	.528	8				
Wakayama	31	70	1	.421	21				
Nippon Ham	43	77	5	.358	29 1/2				
Toei League Results									
Kintetsu 5, Oriz 1									
Wakayama 4, Nippon Ham 1									
Selbu vs. Daiichi, post, rain									

## Baseball

**INDIANAPOLIS**—Signed Dave Davis, forward, to multiyear contract. Signed Bryan Caver and Steve Woodberry.

**MINNESOTA**—Agreed to terms with Danelli Marshall, forward, on multiyear contract.

**NEW JERSEY**—Named Jimmy Wetzel as assistant coach.

## Football

**ALABAMA**—Signed Bobby Ward, running back.

**ALABAMA**—Put Terry Kirk, running back, on injured reserve. Re-signed Aaron Craver, running back.

**PHILADELPHIA**—Signed Tom McHale, linebacker.

## International Friendly

Japan, 19-0, U.S. 0.

## NHL Preseason

### Manday's Games

**OTTAWA 5, Philadelphia 2**  
**Washington 4, Quebec 2**  
**N.Y. Islanders 3, N.Y. Rangers 1**  
**Toronto 2, Chicago 1**  
**St. Louis 3, Winnipeg 3**

### BASEBALL

**TEXAS**—Signed 2-year player development contracts with Oklahoma City, AA and Tulsa, TL.

**TORONTO**—Did not renew contract of Doug Alt manager of their affiliate in Gulf Coast League.

**CINCINNATI**—Agreed to terms with Thomas Howard, outfielder, and Lenny Harris, infielder, on 2-year contracts.

### BASKETBALL

**National Basketball Association**  
**INDIANA**—Signed Dale Davis, forward, to multiyear contract. Signed Bryan Caver and Steve Woodberry.

**MINNESOTA**—Agreed to terms with Danelli Marshall, forward, on multiyear contract.

**NEW JERSEY**—Named Jimmy Wetzel as assistant coach.

### FOOTBALL

**ALABAMA**—Signed Bobby Ward, running back.

**ALABAMA**—Put Terry Kirk, running back, on injured reserve. Re-signed Aaron Craver, running back.

**PHILADELPHIA**—Signed Tom McHale, linebacker.

## HOCKEY

**Northeast Hockey League**  
**EDMONTON**—Signed Jacquelin Gage, goalie, and Jason Cerny, left wing, to Cape Breton AHL, and Ken MacRae, right wing, to Cleveland, IHL.

**HARTFORD**—Assigned Manny Leamon, coach, to Springfield, AHL.

**LOS ANGELES**—Agreed to terms with Rich Tschetter, right wing, to Hartford, AHL.

**N.Y. ISLANDERS**—Sent Dan Christie, right wing; Derek Armstrong and Chris Morinucci, center; and Gord Dineen and Chris Lonsdale, defenseman, to Denver, IHL.

**PHILADELPHIA**—Assigned Scott L. Grand, coach, to Andover, AHL; left wing and Vasily Prokopyev and Jan Lipiansky, left wing, to Hershey, AHL.

**QUEBEC**—Sent Rene Caron and Reinaldo Senechal, left wing; Dwayne Norris, center; and Mike Gorman, right wing, to Elm St. Jr. hockey, to Cornwall, AHL.

**ST. LOUIS**—Assigned Dave Roberts, center; Terry Hollinger, defenseman; and George Sargent, left wing, to Springfield, AHL.

**TORONTO**—Signed Adam Deacon, center, to multiyear contract. Assigned Alexei Kudachov, center, to St. John's AHL. Designated David Senechal, center, to St. John's, defenseman, for assignment.

## COLLEGE

**NCAA**—Placed DePaul's men's basketball program on probation for violating NCAA rules involving a booster who provided free automobiles and meals to some players.

**AUBURN**—Dae Gluck, associate athletic director, retired. Replaced by Gluck's former senior associate athletic director and former senior officer and Jay Jacobs to associate athletic director.

**CENARY, J.L.**—Named Jan Rasmussen, Jr., coach, to assistant basketball coach, to the University of North Carolina.

**MISSISSAUGA**—Named Jim Oakes, athletic director.

**NYU**—Named Steven Brown, ice hockey coach.

## Tigers' Anderson Assails 'Crime' of Orioles' Owner

Washington Post Service

WASHINGTON — One of Johnny Oates's fiercest competitors, Sparky Anderson of the Detroit Tigers, may well have been one of the people most upset by his firing.

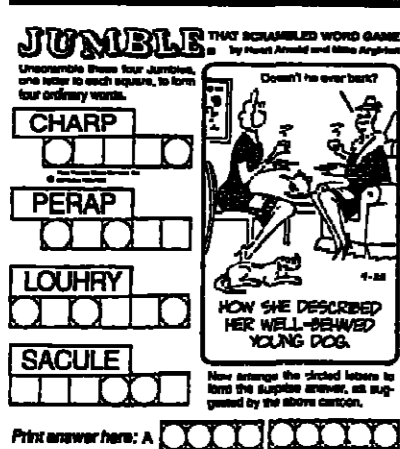
"It's a crime," said Anderson, 60. "He's one of the classiest men I've ever managed against. I can't understand what Baltimore is doing. What does he have to do? I've been around 25 years, and my last five were total failures. I know what it is to fail, but I'm still around. Here he is doing a great job, and he's fired."

From the day Oates was hired as manager on May 23, 1991, Anderson has been one of his biggest supporters.

"Not many people speak out like this," he said by phone from his home in Thousand Oaks, California. "Why am I doing it? Let's face it, I'm close to the end, and I'm tired of watching people get kicked around and nobody sticking up for them. People say not to burn bridges. Anderson added, "But I don't mind burning bridges when I know I'm right. He was really a good person. He was so concerned about his players. You never heard him bad-mouth his players. I think the whole thing stinks."

"He's one of 28 managers in the majors," he continued. "None of the other 27 would have won a pennant for Baltimore because the Yankees were unbeatable in '94. Where are we going? You must have a [manager] there year after year after year. He has to be part of the city, part of the franchise, there like concrete. But you have these people [owners] come in with lots of money who don't understand the game. That's why I think Baltimore has made their gravest mistake ever."

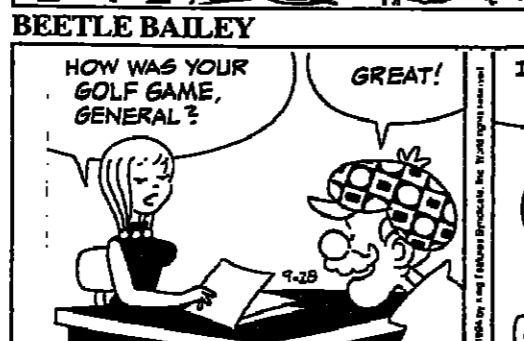
## DENNIS THE MENACE



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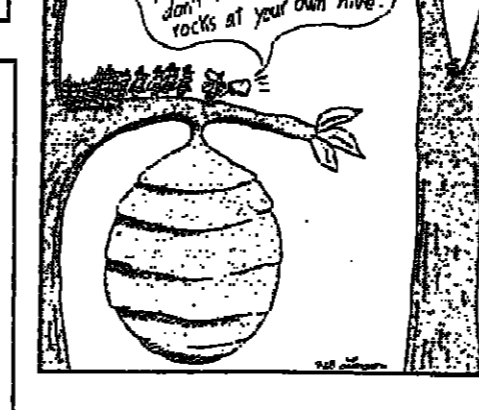
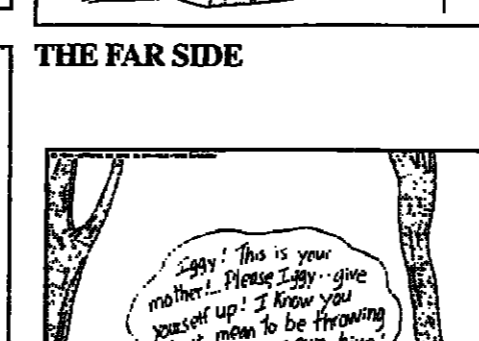
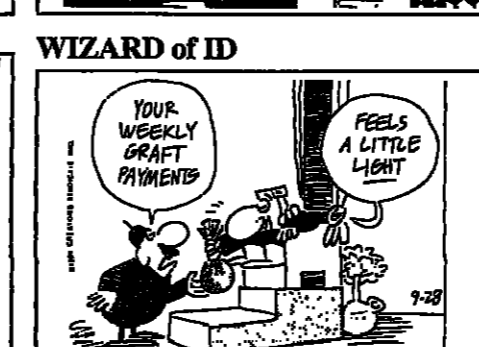
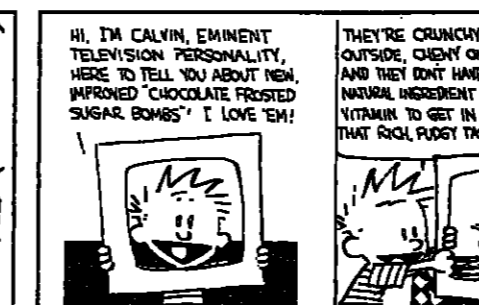
## PEANUTS



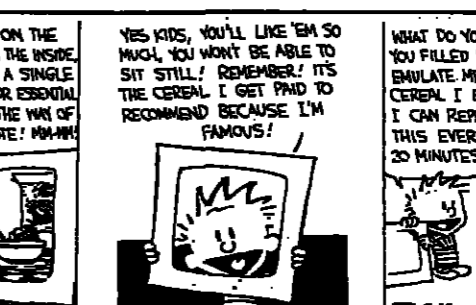
## CALVIN AND HOBBS



## WIZARD of ID



## THE FAR SIDE



## BLONDIE

